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NEWS SUMMARY

GENERAL

BBC musicians' strike to go ahead

The Musicians' Union yesterday instructed its 41,000 members in the BBC to strike from midnight tonight after talks between the corporation and the union broke down.

TV shows like Top of the Pops and Radio 3 programmes will be hit by the strike unless it is quickly resolved.

The dispute is over the BBC's axing of five of its 11 orchestras as part of an economy drive. Back Page

Fishy protest

Angry fishermen dumped half a ton of wet cod on the steps of the Agriculture Ministry in protest at the flood in London of cheap fish imports. Page 4

Body found in bags

Parts of a dismembered body of a woman were found in three plastic bags in a ditch in Epping Forest, Essex. Police are trying to trace 10 women whose names were tattooed on the woman's arms and hands.

Pope in Paris

Pope John Paul arrived in Paris for a four-day visit. He is the first Pope to set foot on French soil since Pius VII was released from a Napoleonic jail in 1814.

Mugabe appeal

Zimbabwe Premier Robert Mugabe said the formation of a new army from guerrilla forces was running into problems and asked Britain to increase its military training staff in the country. Page 3

Dash to freedom

A 20-year-old Hungarian deaf mute braved a hail of bullets to drive a truck through Hungarian border barriers, overturning the vehicle on Austrian territory.

Turkey clashes

At least 14 people were killed in clashes between rival demonstrators in towns throughout Turkey. The clashes follow the assassination of a right-wing politician in Ankara on Tuesday.

Banker jailed

British banker Peter R. Shaddick, who with Italian financier Michael Sindona lost millions in foreign currency funds, was sentenced in New York to three years jail for his part in the collapse of the Franklin National Bank.

Murder charge

Maria Scott, 20, was charged with murdering 18-year-old Janet Brodie in West London on Tuesday and remanded in custody at Brentford court.

England win

England beat the West Indies with three balls to spare in the second Prudential one-day cricket international at Lords. England: 236-7. West Indies: 235-9.

Briefly . . .

Rain is expected in all areas in the but warmer weather will follow, said the Meteorological Office. Weather, Back Page

Armada of 35 small boats sailed to Dunkirk from Ramsgate, Kent, to mark the 40th anniversary of the Dunkirk evacuation.

Two East German diplomats were expelled from France for alleged espionage.

Danish Government survived a censure vote brought by the Opposition Socialist Party by 14 votes.

BUSINESS

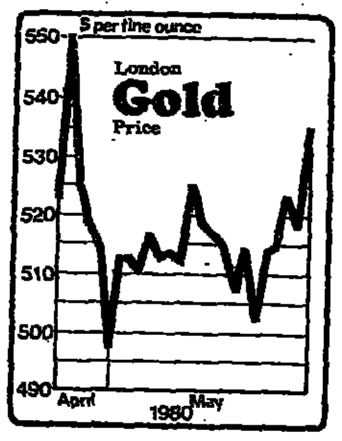
Equities off 1.9; gold up $17

● EQUITY leaders were quiet on lack of investment incentive, and saw some end-Account bear closing. The FT 30-Share Index fell 1.9 to 415.9, down 20.6 on Account. Page 24

● GILTS: The announcement of a new tap stock saw mediums and longs easing by up to ½. The Government Securities Index fell 0.17 to 67.7. Page 24

● STERLING closed at $2.3450, just 15 points down. Its trade-weighted index was 74.3 (74.4). DOLLAR lost early gains to close a shade lower, its index falling to 84.0 from 84.1. Page 23

● GOLD rose $17 an ounce in London to $535.5. Page 23



● WALL STREET was 1.71 down at 844.54 before the close. Page 20

● FIAT motor group of Italy will not join in the Pta 6bn (£36m) capital increase plans for its Spanish associate Seat. It will lead to Fiat's stake in Seat dropping from 41 per cent to 28 per cent. Back Page

● WEST GERMANY is ready to sign a 25-year economic co-operation deal with Russia—covering areas of advanced technology, especially in energy—despite the tension in East-West relationships. Page 3

● BRITISH SHIPBUILDERS' merchant ship order book dropped to 535,000 compensated gross registered tonnes (c.grt) for the year to the end of March, the lowest level since the State takeover in 1977. Back Page

● NATIONAL Enterprise Board has pumped a further £75m cash into BL by taking up 150m new Ordinary shares, part of an extra £480m pledged last year. Back Page

● INSIDER DEALING—using price-sensitive and confidential information for making profits on shares—will become a criminal offence from June 23, with a maximum penalty of two years in jail plus an unlimited fine.

● BOTH PARTIES in the inter-union dispute at the Isle of Grain power station site have moved towards establishing a basis for talks possibly next week. Page 4: Feature, Page 16

COMPANIES

● CAPITAL AND COUNTIES Property Company pre-tax profits rose to £7.48m for the year to March 25, compared with £4.76m a year ago. Page 18 and Lex, Back Page

● LONDON AND OVERSEAS Freighters recovered from a £1.9m attributable loss in 1978 to £3.83m profits last year, and plans to raise net dividend from 0.596p to 1.072p. Page 18 and Lex, Back Page

● NISSAN MOTOR of Japan raised operating profits by 52 per cent to Y183bn (£349m) and net profits by 33.6 per cent to Y87.45bn last year. Page 21

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

Beecham	117	+ 4
Bowring (C. T.)	162	+ 7
[illegible]	135	+ 5
[illegible]	53	+ 5
[illegible] (Mont. L.)	97	+ 6
[illegible] Elec.	235	+ 6
Richards & Wallington	47	+ 6
Smith & Tumpkins	194	+ 6
Steway Watson	11½	+ 2½
Wolverhampton & Dudley	348	+ 9
Berkeley Expln.	198	+ 8
Clyde Petroleum	573	+ 23
Central	346	+ 8
Harrisons Malaysian Ests.	170	+ 14
Gold Mines of Kalgoorlie	254	+ 11
Doma Gold	77	+ 7
[illegible]	275	+ 25
[illegible]	320	+ 25
Poseidon	147	+ 7
Randfontein	£27½	+ 2½
Samantha Expln.	96	+ 8
Samson Expln.	60	+ 5
South African Land	332	+ 38
Vaal Reefs	£28	+ 1
West Driefontein	£38¾	+ 1½
Western Hldgs.	£28½	+ 1½

FALLS:

Treasury 11½pc 03-07	£89½	− ½
Borthwick (T.)	30	− 6
Dalgety	248	− 8
Eurotherm	323	− 10
Forminster	130	− 6
Lee Cooper	197	− 6
Leyland Paint	31	− 5
Nathan (B. & I.)	37	− 3
Pearson Longman	183	− 5
RMC	156	− 5
Sketchley	234	− 10
Uniflex	50	− 4
LASMO	648	− 5

Cabinet meeting on Monday to reach budget cut verdict

BY PHILIP RAWSTORNE

MRS. MARGARET THATCHER appeared ready last night to accept the EEC's offer of a two-thirds reduction in Britain's budget contribution.

The Prime Minister has called a special meeting of the Cabinet on Monday to decide the issue which has divided and disrupted the Community for the past year.

Lord Carrington, Foreign Secretary, who reported to Mrs. Thatcher at Chequers yesterday on the 20 hours of negotiations in Brussels, is due to make a statement to Parliament later on Monday.

Whitehall last night insisted that the proposals still required careful examination. Details of the package deal will be circulated to Cabinet Ministers this weekend, but there was little doubt about the sense of Government triumph emerging from Whitehall last night.

The Foreign Office said that the proposals represented "substantial progress." The Government has secured a further reduction of about £50m in contributions for this year and next compared with the offer made at the Luxembourg summit.

The estimated £1.1bn contribution this year would be cut to £380m; next year's estimated net contribution of £1.4bn would be reduced to £456m.

The Government has secured a similar guaranteed ceiling on contributions in 1982 if a review of the budget structure does not lead in the meantime to more radical reforms.

Mrs. Thatcher's failure to obtain this third year guarantee was the critical stumbling block in the Luxembourg negotiations.

The Prime Minister now clearly believes that unless some unforseen factor emerges, that she can present the "two-thirds of a loaf" as a political triumph and handle any political opposition from Labour MPs.

Ministers seem equally confident that the £150m cost to British consumers of the increased far mprices can be set in the context of the overall bonus to the Government public expenditure programme.

Government officials said yesterday that several features of the farm price package would themselves benefit Britain. The butter subsidy of 13p a pound,

Continued on Back Page
Details and reactions, Page 2

In demand . . . Lord Carrington in Brussels yesterday

France leads the way with qualified approval

BY JOHN WYLES IN BRUSSELS

ALL EIGHT other EEC Governments are expected to endorse the budget formula and France led the field with a statement yesterday expressing qualified approval.

West German officials indicated that the Cabinet is likely to consent to the deal next week, although Herr Hans Matthofer, the Finance Minister, is believed still to have reservations.

In an echo of the marathons which characterised EEC diplomacy in the 1960s, the Foreign and Agriculture Ministers completed provisional agreements over Thursday night and yesterday morning on a range of issues linked by France, West Germany and others to a UK budget solution.

If the British Government accepts the budget offer, parallel agreements will come into force giving EEC farmers a 5 per cent price rise and ending the Anglo-French lamb war, as well as a declaration reaffirming the EEC's intention to work out a common fisheries policy.

The major breakthrough was the Foreign Ministers' unexpected success in framing a plan to solve the protracted and increasingly bitter UK budget row. Spurred by fear of the consequences of allowing the dispute to drift further, and with some shrewd prodding by the Italian chairman, Sig. Emilio Colombo, the Foreign Ministers agreed on a document which each could take back to his Government for a final decision.

In cash terms, the eight are offering only £50m more to the UK this year and next than they had done in the package rejected by Mrs. Thatcher at the Luxembourg summit at the end of April. But EEC officials pointed to several features which could attract her Government's approval.

These include provision for further reductions in UK payments in 1982 if the Community fails to solve the problem through a special review due to take place next year.

This is intended to bring about structural changes in EEC spending, so that less would go to agriculture and more to social and regional policies.

A so-called "risk-sharing" scheme is also on offer, which means the eight would share with the UK the costs of any unforeseen increases in its budget payments.

Morton resigns from BNOC

BY RAY DAFTER, ENERGY EDITOR

A TOP executive with British National Oil Corporation, Mr. Alastair Morton, is resigning following the Government's appointment of the corporation's new head, banker Mr. Philip Shelbourne.

Mr. Morton, who has been with the corporation virtually since its inception in 1976, was appointed to the BNOC board only three months ago. Since, he has had executive responsibilities for finance, trading, personnel and legal matters.

He decided to terminate his two-year board appointment after learning that Mr. Shelbourne, chairman of Samuel Montagu, had been appointed BNOC's chairman from July 1. It is expected that Mr. Shelbourne will also become chief executive.

Within the City and sections of the Energy Department it was known that Mr. Morton and Mr. Shelbourne disagreed on financial policies and other issues.

Each has been connected with Samuel Montagu and the Drayton Group. In 1972, Mr. Morton was appointed chairman of Drayton Securities, a joint venture between the Drayton Group and Samuel Montagu.

In recent months Mr. Shelbourne and Mr. Morton have exchanged views about the way BNOC should be restructured and private capital injected into the corporation. Mr. Shelbourne has been acting as adviser to Mr. David Howell, Energy Secretary.

North Sea output falls, back

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For latest Share Index phone 01-246 8026

Surprise £1bn long tap launched

BY DAVID MARSH

THE BANK of England surprised the gilt-edged market yesterday by launching a £1bn long-dated tap stock.

The bond issue, 13¼ per cent Exchequer 1994, will go on offer in partly-paid form next week at a minimum tender price of £96.00 per cent.

The stock is being issued with the twin aims of maintaining the momentum of the Government's fund-raising programme and restraining money-supply growth, which, according to some analysts, accelerated this month.

This is the third £1bn long-dated stock launched in the past six weeks. The Government also put on offer this week a £600m low-coupon stock specially designed for high income tax-payers.

The two previous £1bn stocks—the second of which was exhausted on Tuesday—were also issued in partly-paid form, so investors have still to pay over large portions of their subscriptions.

Since the banking system also faces repayment of £1.5bn of temporary facilities to the Bank of England over the next fortnight or so, gilt-edged dealers fear the latest issue may overburden the market. In reaction, long-dated stocks dropped generally by ½ to ¾ points after the announcement yesterday afternoon. Some finished up to ¾-point easier on the day.

Tenders for the new stocks must be lodged with the Bank by next Wednesday; £40 per cent is payable on tender, with £30 per cent on July 4 and the balance on July 25.

The firmness of the gilt-edged market during the past week has been sustained mainly by foreign buying, sparked off by high UK interest rates and the strength of sterling.

The pound closed 0.15 cents lower yesterday at $2.3450, well below the five-year high of above $2.37 reached on Tuesday. But it was still around 9 cents above the levels of the end of April.

The Government has an additional reason for launching the issue. Its borrowing requirement, held down considerably by tax receipts in recent months, is starting to rise to the average during the summer of around £1bn a month.

Lex, Back Page; Editorial comment, Page 16

Sharp fall in U.S. economic indicators

BY DAVID BUCHAN IN WASHINGTON

THE U.S. index of leading economic indicators showed its sharpest monthly fall on record with a 4.8 per cent fall in April. At the same time President Jimmy Carter is increasingly worried that a steep recession will mar his re-election chances.

Mr Carter and Mr Ronald Reagan, now virtually certain to be nominees of their respective Democratic and Republican parties, informally opened the Presidential election campaign, as distinct from the primaries, with a clash on economic issues when the both spoke, to separate audiences, in Columbus, Ohio, on Thursday.

Mr Carter is embroiled in a row with most the Congressional leadership over his opposition to a lengthily negotiated 1980-81 budget resolution because it gives too much to defence, at the expense of domestic programmes that could soften the social and political impact of recession.

Mr. Carter, with important allies like Mr. Thomas "Tip" O'Neill, the speaker of the House of Representatives, won a first round when the House defeated the Budget resolution late on Thursday—but the main battle remains to be fought with the Senate.

Recession seems to be supplanting inflation as the Carter Administration's prime political concern. Mr. Carter on his Ohio campaign told voters they could count on inflation coming down soon.

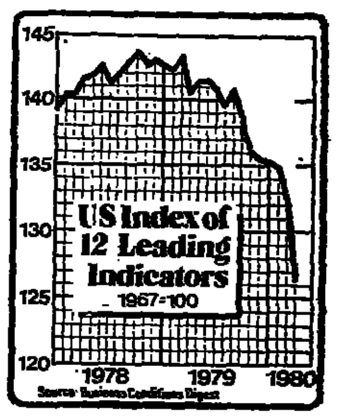
Meanwhile, the White House disclosed it is setting up a joint panel with the AFL-CIO Trade Union Federation to study anti-recession aid to hard-hit sectors.

The 4.8 per cent drop in April in the leading economic indicators Index was emphatic confirmation that recession has arrived.

It was far the biggest monthly decline ever, and, though the April figure may be revised, it is still likely to outstrip the previous three per cent record drop in September 1974, during the last recession.

The unusual feature of the April index performance was that all ten components, including the rate of layoffs, new contracts and money supply, pointed downwards. Normally there is some compensatory movement among the index's various components.

The likelihood is now increased that the economic recession will be severe, but how long it will last is still a matter of controversy. Many economists share the Government's official view that the fall in output will be short and recovery will begin by the end of the year.



In an unusual statement issued on the heels of the April index figures yesterday, Dr. Courtenay Slater, the Commerce Department chief economist, admitted there would be a steep decline in the second quarter.

The leading index, she said, was "a fairly good harbinger of swings in the one third of the economy covered by the industrial production index," but not necessarily in predicting overall growth patterns.

Dr. Slater claimed the slowdown in inflation in April and the dramatic turnaround in interest rates in the past two months "are laying the groundwork for the economic decline to level off and for recovery to begin."

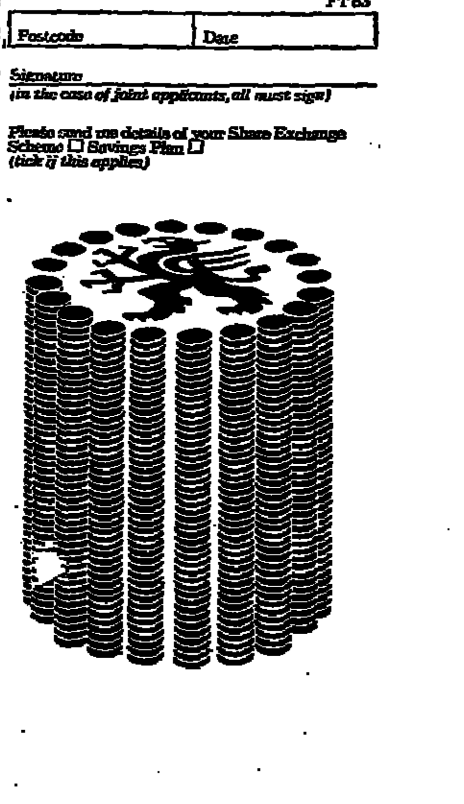
The Administration must be concerned that the release of so much bad news may itself prolong the recession as companies close production facilities because they see no near sign of improvement.

The twin beneficial effects of a recession should be a declining inflation rate and a narrowing trade deficit. That is what occurred in April, though one month's performance is very slender evidence on which to generalise.

The slowing economy is drawing in fewer oil imports, and because of this the April trade shortfall was the lowest for nearly three years.

$ in New York

—	May 29	Previous
spot	$2.3340-3370	$2.3600-3630
1 month	1.52-1.44 dis	1.72-1.65 dis
3 months	4.00-3.90 dis	4.08-4.01 dis
12 months	9.65-9.45 dis	10.50-10.30 dis



Thatcher weighs the loaf

BY JOHN WYLES IN BRUSSELS

OVER the past three months it has become increasingly foolhardy to try to predict the next twist and turn in the prolonged and increasingly bitter saga of Britain's EEC budget problem. At this stage, all that can be said for certain is that Mrs. Margaret Thatcher must be finding it extraordinarily difficult to make up her mind at Chequers this weekend whether to accept the latest offer from Britain's EEC partners.

The Prime Minister, under pressure from the Labour Opposition to settle for nothing less than the "whole loaf" reduction in the UK's budget payments to Brussels, must weigh the inevitable domestic criticism of the package brought back from Brussels by Lord Carrington against the urgent need to repair relations with Britain's EEC partners.

If Mrs. Thatcher concludes that the offer is inadequate and will hinder rather than help reconcile an increasingly-restive British people to EEC membership, rejection will shatter relations with the Eight in such a way that the Community in its present form may never recover.

There is no evidence that Mrs. Thatcher has a strategy for rebuilding a Community more to her liking out of the ruins of the present one. Rather, she seems determined to work for change from within, having first put Britain's budget payments on an equitable footing.

However, the package which she is being invited to endorse includes several elements (an extravagant farm price increase and a partial intervention regime for lamb) which, on the basis of past statements ought to be anathema to her.

The merits and demerits of the proposal negotiated by EEC Foreign Ministers during 20 hours of negotiation on Thursday night and Friday morning can be summed up as follows:

- It makes the first formal offer of a three-year arrangement which in 1980 and 1981 would, on the Commission's estimates, cut Britain's budget bill by two-thirds.
- The sum on offer for these two years is marginally (£50m) more than the offer Mrs. Thatcher rejected at the EEC summit in Luxembourg at the end of April. Until Thursday's negotiations both West Germany and France had been refusing to repeat this offer, let alone improve it.
- There are safeguard provisions which offer important protection against unpredictable rises in the UK's uncorrected contributions.
- The Community has pledged to solve the UK budget problem through "structural changes" in its spending. If the pledge proves empty, there is a commitment to amend Britain's as-yet-unquantified payments in 1982 on the same basis as for the previous two years.

But the proposals are vulnerable to the following criticisms.

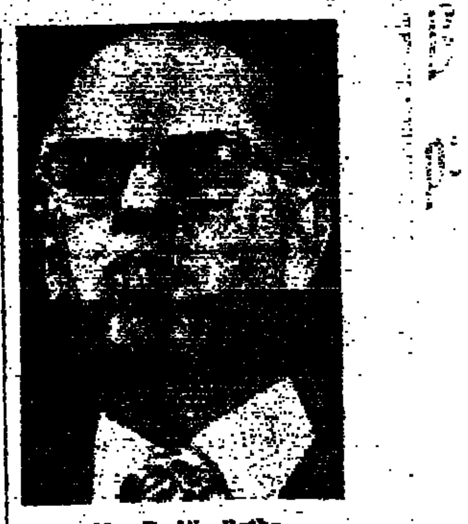
- Britain would move down only one peg from number one Community paymaster to number two. This is no more appropriate for the EEC's third-poorest member and would still leave the UK paying more than France.
- The need for structural changes to stop agriculture taking close to 80 per cent of the EEC budget has long been recognised by the Nine. But their failure to act up to now hardly creates confidence that a root-and-branch attack has been instituted on a policy which is largely responsible for the UK's disproportionate payments to Brussels.
- It is said that the Community's looming budgetary crisis could create the necessary curbs on farm spending. According to the Commission, the Community could exhaust its "own resources" in 1982 without a firm grip on agriculture. This could threaten the third year of the proposed deal simply because the money would not be available for the UK.
- There is no review clause offering the possibility of further special help for the UK after 1982 if the Community proves unable to reorientate its spending and its budget burden remains inequitable. There is a chance that Britain could again be wrangling with its partners at about the time of the next general election. EEC membership could again become a major British electoral issue.

Essentially, the offer being considered this weekend would bring a cut in the UK's 1980 payments amounting to £717m and a reduction in the 1981 payments of £861m. If as is quite possible, the UK's uncorrected payments this year and next are higher than forecast by the Commission then the extra burden will be shared between Britain and the eight.

In 1980 Britain would pay 25 per cent of any unforeseen payments and the eight would carry the rest. In 1981 the first £12m increase in the UK's proposed net payment of £445m would be met by Britain, half of the next £61m would be paid by the UK but any increase in the level of payments above £518m would be shared 25 per cent UK 75 per cent the rest.

WHAT BRITAIN WAS OFFERED

	Brussels May 29-30	Luxembourg April 27-28
Reduction in UK net payments 1980	Rebate of £717m—net payments of £371.5m; other eight to pay 75% of any excess on UK bill over £1.08bn	Fixed ceiling of £328.2m on UK payments—rebate of £762.5m
Reduction in UK net payments 1981	Rebate of £861m—net payment of £445m; other eight to share excess if unadjusted bill over £1.31bn	Rebate of £762.5m—net payment of £542.9m
Total rebate 1980-81	£1.57bn	£1.52bn
Total payments 1980-81	£816.5m	£875.7m
Lamb	UK gives conditional agreement to estimated £180m scheme with intervention buying in France; deficiency payments in UK. Export refunds accepted in principle	UK isolated in opposing plan to buy into intervention and pay export refunds
Fisheries	Eight agree to non committal loosely worded outline agreement	Britain opposes linkage of budget and fisheries issue
Farm prices	UK gives conditional agreement to package centred on on 5% average price rise: budgetary cost £1bn	Price package agreed by all but UK



Mr. P. W. Botha

Warning to S. Africa protesters

By Quentin Peel in Johannesburg

MR. P. W. BOTHA, the South African Prime Minister, warned protesters yesterday that any attempt to create unrest would be met with "the full power of the state." The South African Defence Force staged parades of tanks and armoured cars through the country's major cities.

The speech and parades, to mark South Africa's Republic Day, showed the Government's determination not to appear weak in the face of the widespread school boycott by black, coloured (mixed race) and Indian pupils.

There were sporadic disturbances yesterday, including a case of arson in the Cape Town suburb of Elsies River, where two coloured youths were shot dead by police on Wednesday. In Noordgesig, a coloured area on the edge of Soweto, outside Johannesburg, police broke up a demonstration.

Mr. Botha used his Republic Day speech at the Rand Afrikaans University in Johannesburg to attack the South African Council of Churches for its identification with the protesting students.

He accused the council, whose general secretary, Bishop Desmond Tutu, was arrested on Monday along with more than 50 fellow clergymen for staging an illegal demonstration, of distributing some R2.5m (£1.4m) of foreign finance "to promote unrest" in South Africa.

French win farm battle

BY MARGARET VAN HATTEM IN BRUSSELS

BRITAIN HAS YET to decide whether the budget settlement proposed by its European partners merits the agricultural concessions it has provisionally offered.

Some of these are very substantial indeed, some fairly insignificant. But the fact that they are on offer at all shows that Britain has come a long way in the past six months.

When, earlier this year, France announced that any settlement of the budget dispute must form part of a package deal including farm prices, lamb and fisheries, Britain formally rejected the demand.

These issues, declared Mrs. Margaret Thatcher, the British Prime Minister, had to be settled on their own merits—they could not be traded for cash in hand. Privately, however, the UK Government interpreted the link as a signal that France, the strongest opponent of its budget demands, was ready to make concessions. In return, Britain obliquely indicated its willingnes to negotiate.

The ensuing struggle often polarised into an Anglo-French battle, and the resulting provisional agreement on farm and fish issues looks like a clear win for France.

But for Britain, rightly or wrongly, the budget was always the prime objective, and many of Mr. Peter Walker, the Farm Minister's firm rejections of French demands may well have been little more than a bargaining stance.

Last night's conditional price package is itself a major concession since, in adding at least £1.1bn to the Community's budget over the next year, and probably far more, it would ensure that farm spending would continue to grow rapidly. Since the Community's disproportionately heavy spending on agriculture is a root cause of Britain's budget problem, this concession would add to Britain's problems in negotiating a satisfactory continuation of the present solution once the specific provisions for 1980 and 1981 expire.

The 5 per cent average price rise, although bitterly opposed by Britain earlier this year, when Mr. Walker was demanding a price freeze on surplus products, would represent a price cut in real terms and would not, in itself, be disastrous for the UK.

Its impact on the budget would have been largely offset, had Ministers accepted a scheme to make farmers bear the cost of increased milk production, the Community's biggest and most expensive surplus. But Britain, like every other country, was too busy quibbling over details to see the overwhelming budgetary benefits of this scheme, and thus was instrumental in its being shelved at the Luxembourg Farm Ministers' meeting in April, at least until next year and possibly later.

Similarly, Britain disliked the details of a scheme to curb sugar production, the Community's second biggest surplus, and this money-saving scheme was also shelved for a year.

The agreement to include lamb in the common agricultural policy for the first time represents a capitulation to France on two important points of principle; it introduces the right to use Community funds to buy surplus lamb, opening the way for a future lamb "mountain," and it leaves open the future possibility of subsidised exports.

The outline agreement on fisheries cannot be regarded as a concession: it appears to have been worded vaguely, in a deliberate attempt to postpone the inevitable struggle over Britain's demnnd for virtual control of fishing in waters up to 50 miles from its coast.

Link clause is key to Paris acceptance

BY DAVID WHITE IN PARIS

THE FRENCH Government said yesterday it was ready to ratify the provisional agreement reached in Brussels, on condition that all its Community partners accepted the clause linking a reduction in Britain's net budget contribution to an undertaking on next year's farm price negotiations.

The Cabinet gave the go-ahead for a unilateral farm support measure to be brought in automatically tomorrow if the proposals failed to win British approval and the Community farm price increases continued to be blocked.

M. Pierre Mehaignerie, Agriculture Minister, held back an announcement of details of the measures drawn up by the Government.

He refused to say how much the contingency measures would cost the French Government. The principal instruments involved are domestic market intervention in certain products, rebates on value added tax payments, and financial relief for young farmers. The measures have been unofficially estimated to represent an annual cost to the French Treasury of FFr 5bn to FFr 6bn (£514m to £654m).

Approval of the 5 per cent farm price increase, combined with the recent devaluations of the "green franc," would mean an average 10 per cent rise in the prices paid to French farmers, with the increases ranging from 9 to 11.5 per cent.

The Brussels agreement was strongly criticised, however, by the Gaullist Rassemblement pour la Republique, the party on which the Government relies for its Parliamentary majority and which has a large rural electorate.

Roger Boyes reports from Bonn: The Brussels package drew both relief and concern in West Germany. Herr Hans Dietrich Genscher, the Foreign Minister, greeted the decision as a triumph for European common sense. But other senior officials are more sceptical, and are expecting a sharp protest from Herr Hans Matthoefer, the Finance Minister, when the Cabinet discusses the issue

'Thin end of wedge' for New Zealand

BY RICHARD MOONEY

ONE COUNTRY which is far from delighted at the agreement on an EEC sheepmeat regime is New Zealand. The scheme cannot go ahead until New Zealand has agreed to some limit on its shipments of lamb to Britain, which it sees as the thin end of the wedge.

Once the principle of an export quota is established, New Zealand fears the quota could easily be reduced. With 10 per cent of the country's export earnings coming from lamb sales to Britain, this could be disastrous for the New Zealand economy.

Last year, New Zealand sent 205,000 tonnes of lamb to Britain, 64 per cent of its lamb exports and about half British consumption.

New Zealand officials in Britain yesterday did not disguise their concern. On the face of it, Mr. Peter Walker, the British Agriculture Minister, has secured for New Zealand a virtual veto on the agreement but there will now be strong pressure for her not to scuttle a deal which has taken so long to work out. New Zealand may not be able to withstand this pressure.

According to Mr. Walker, New Zealand has "the opportunity to ensure that the total arrangements are acceptable to her and do not damage her trading interests.

"Thus New Zealand's interests are effectively safeguarded, as is the supply of New Zealand lamb to the British housewife," he declared. But New Zealand's position is much weaker than before, when it enjoyed unchallenged access to the UK market for unlimited quantities of lamb.

New Zealand should be pleased that Britain is to use a deficiency payment rather than intervention buying to support sheep farmers incomes. The latter would have tended to raise retail prices and, therefore, cut demand. This would have resulted in even stronger pressure, from British farmers as well as others in the EEC, for a reduction in New Zealand shipments.

German trade surplus drops

By Roger Boyes in Bonn

WEST GERMANY registered a sharp drop in its trade surplus last month, plunging the current account even further into deficit.

The Federal Statistics Office said yesterday that the trade surplus reached DM 1.1bn (£264m) compared to DM 2bn (£460m) in March and to a hefty DM 3.3bn (£790m) surplus in April last year.

The root of the problem appears to be the relatively high import value and the rocketing price of energy and raw materials rather than any export setback. Germany imported DM 29bn worth of goods in April but exported DM 30.1bn.

After taking into account the shortfall on services and transfer payments, the current accounts deficit thus reached DM 1.8bn, against a deficit of DM 1.3bn in March and a current accounts surplus of DM 800m last year.

U.S. aluminium contract agreed

BY IAN HARGREAVES IN NEW YORK

UNITED STATES aluminium workers have successfully leapt through the breach the motor industry workers made last summer in winning an improvement in the cost-of-living index formula on which wage increases will be based in the next three years.

A contract between the four leading aluminium companies and the United Steelworkers' Union was agreed late on Thursday night, hours before the expiry date of the old contract.

Although not all details of the deal were immediately available, it was clear that the contract had followed the pattern set by the United Autoworkers' Union, rather than the more moderate agreement reached a few weeks ago by the United Steelworkers' Union and the steel industry.

This is an important point, because it more strongly establishes the pattern of the carworkers' settlement, which many industrialists regarded as far too generous, for other sectors in manufacturing industry.

Like the car workers, the 64,000 aluminium workers covered by the deal will see an improvement in the cost-of-living formula in their contracts in the third year of the agreement.

In that year, instead of receiving a one cent an hour increase for every 0.3 percentage point increase in the consumer price index, they will receive an extra cent an hour for every 0.26 per cent rise.

The flat-rate increases for the contract, at 60 cents an hour over the life of the pact, are more in line with those of the steel settlement.

- Abitibi-Price, the world's largest newsprint company, has been selected as a possible strike target by the Canadian Paperworkers Union if talks next week fail to produce agreement on contracts for 35,000 eastern Canadian paper and pulp industry workers.

Cossiga faces probe on 'terrorist tip-off'

BY RUPERT CORNWELL IN ROME

THE AFFAIR of the missing son of Italy's Christian Democrat vice-president Sig. Carlo Donat Cattin, wanted on terrorist charges, has suddenly escalated into a potentially-devastating political and legal storm calling into question the position of Sig. Francesco Cossiga, the Prime Minister.

Last night the Prime Minister appeared for two hours before a hastily summoned special Parliamentary Commission to defend himself against suggestions that he tipped off Sig. Donat by magistrates, and thus indirectly abetting terrorism.

If proved, the allegations would presumably oblige Sig. Cossiga to resign and would probably have serious repercussions for the Christian Democrats at the forthcoming regional elections.

The affair has assumed these serious proportions following a confession to police by Sig. Roberto Sandalo, who was arrested at the end of April as a suspected member of the far Left Prima Linea (Front Line) subversive group. He is a close family friend of Marco Donat Cattin, the politician's fugitive son, who is also alleged to belong to Prima Linea.

According to reports here, Sig. Sandalo told magistrates investigating the case that just before his arrest he conveyed to Marco Donat Cattin a message from his father that the son was being sought by magistrates and police.

Sig. Sandalo is said to have told investigators that the father came by this information through Sig. Cossiga, who had learnt of it through the then-secret confessions of Sig. Patrizio Peci, an important captured terrorist

These allegations were passed to Parliament 10 days ago by Turin magistrates looking into the case as a matter demanding immediate investigation by the legislature.

On Thursday evening first Sig. Donat Cattin and then Sig. Sandalo, flown from a Turin prison, testified to the specially-convened Commission of Inquiry. Yesterday for two hours it was the turn of Sig. Cossiga.

Brown visits London

BY DAVID TONGE

MR. HAROLD BROWN, the U.S. Secretary of Defence, is due to arrive in London this morning, and to hold talks on Monday with Mrs. Margaret Thatcher, the British Prime Minister.

A possible successor to the British Polaris submarine nuclear deterrent and Western reactions to the latest Soviet hints of negotiations on Afghanistan, are expected to feature in their talks, although no agenda has been fixed.

There is also the possibility of discussion on a further U.S. build-up on the British island of Diego Garcia in the Indian Ocean.

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OVERSEAS NEWS

Bonn to sign economic pact with Soviet Union

BY ROGER BOYES IN BONN

WEST GERMANY is ready to sign a comprehensive 25-year economic co-operation agreement with the Soviet Union next month, despite the tense relations between East and West.

Count Otto Lambsdorf, the Economics Minister, stressed however that Germany did not intend to profit from trade lost by the U.S. or other countries because of the West's technology embargo against Moscow. The programme, drawn up in provisional form in 1978, envisages growth in several areas of advanced technology, especially in energy.

West German officials now expect the agreemen to be signed during the visit to Moscow of Chancellor Helmut Schmidt on June 30, although it is understood that the Chancellor is reluctant to sign the document himself for political reasons. Herr Schmidt emphasised in talks yesterday with Mr. Nikolai Tikhonov, the Deputy Soviet Premier, that actual Soviet-German economic development will hinge on the general state of East-West relations.

Bonn is being particularly careful not to conflict with U.S. policy on technology exports in the economic talks. The long-term programme does, however, make provision for collaboration in the controversial area of oil and gas technology.

Some U.S. analysts have stressed that oil technology should be included in any list of potential sanctions, but Bonn, along with other Western countries, believes such a move would ultimately push Moscow on to the international oil market, creating further shortages.

Mr. Tikhanov tacitly backed this line of reasoning yesterday in a news conference at the end of his two days of talks. He also said the development of Tyumen gas deposits, with the aid of Western technology, could provide a vital supply of gas to Western Europe, as well as a source of piping contracts. Mr. Tikhanov indicated that Moscow was considering a further option as far as the Tyumen deposits were concerned—the recovered gas could be used as a substitute for oil in some parts of the Soviet Union, and the oil thus saved could be sold abroad.

Caunt Otto Lambsdorff

Other areas of possible co-operation during the span of the programme could include joint coal-gasification and electrification projects.

Mr. Tikhanov said business so far this year showed the two countries were well on their way to achieving their aim of doubling trade volume between 1976 and 1980.

Moscow 'equips army for chemical attack'

BY DAVID SATTER IN MOSCOW

THE Soviet Union, which has been accused of using chemical weapons in Afghanistan, is equipping its army to withstand a possible chemical warfare attack from the West, a senior military officer said yesterday.

Colonel General V. Pikalov, commander of Soviet chemical troops, wrote in the armed forces newspaper Krasnaya Zvezda that NATO manoeuvres envisage the use of highly toxic agents from the start of any hostilities.

He said that the special troops under his command, estimated in the West at 90,000, were therefore being given sophisticated equipment, including battlefield computers, to analyse data on contamination in order to enable soldiers to fight even while under attack with chemicals.

The Soviet Union has denied charges by Afghan refugees that Soviet troops use chemical weapons in Afghanistan and the Soviet news agency Tass last month said that the Soviet Union has no chemical weapons.

Gen. Pikalov claimed, however, that Britain recently opened a special centre for the manufacture of chemical and biological weapons and a training ground for British and NATO troops.

The training ground at Porton Down in England was recently shown to the Press and British defence chiefs said it was necessary to train troops to cope with the Soviet Union's chemicals weapons arsenal.

The exchange comes amid fresh allegations that hundreds of Soviet citizens died in an accident last year at a secret germ warfare plant in Sverdlovsk in the Ural mountains.

Gen. Pikalov made no reference to Soviet chemical weapons but he said that each West German motorised infantry division had more than 120 weapons capable of delivering chemical warheads and each American division had more than 150.

As against this, "our troops are armed with special vehicles and armoured transporters protected against radioactivity, and with automatic and semi-automatic instruments to detect and pinpoint in a few seconds contamination in the air and on the ground," he said.

Agreement on Zaire aid and debts

BY DAVID WHITE IN PARIS

ZAIRE'S main Western creditors agreed at a meeting in Paris this week that the country needs increased aid to carry out its economic adjustment programme and that it will have to seek a further re-scheduling of its $4bn foreign debt.

But, they said, another session of talks is needed to co-ordinate the aid programme. Zaire is still trying to tie up finance for more than one-fifth of a three-year public investment programme under the so-called Plan Mobutu.

Mr. Bokana W'Ohdangela, the general commissioner for planning, refused to say how much of the sum needed—equivalent to about $475m at the official exchange rate—had already been pledged.

The $2.2bn investment programme, the third stage of a recovery plan involving closer control of economic management and economic and financial stabilisation measures, is devoted primarily to agriculture, transport, energy and mining.

World Bank officials emphasised the need for imports of spare parts and other items to make better use of Zaire's production capacity.

Besides support for the Government's spending programme, more aid would also be needed to finance Zaire's balance of payments deficit, a communique issued after the meeting said.

Mr. Namwise Ma Koyi, Zaire's Budget and Finance Commissioner, said the country expected a payments shortfall of $240m this year.

He projected a budget deficit of Zaires380m, Z30m over the target set in the stabilisation programme agreed with the International Monetary Fund

World Bank officials said Zaire would have to seek new opportunities for restructuring its debt, since the arrangements agreed on last year for debt relief were of short duration and the country would have problems meeting its servicing costs.

President Mobutu: tying up finance.

Brazil yields to threat of foundry closures

BY DIANA SMITH IN BRASILIA

THE Brazilian Planning Ministry has yielded to the threat made by the Association of Foundry Industrialists to close their plants if they did not receive a 35 per cent price increase. The decision by Sr. Antonio Delfim Netto, the Planning Minister, to grant only a 27 per cent increase has been reviewed.

The major foundries supply the key motor industry. They are running at a severe loss because of spiralling inflation and credit squeezes.

They include two foreign concerns, the Thyssen Foundry, and Fundicao Metalurgica do Brasil, owned by the Teksid division of Fiat.

Foundry managers hoped not to have to carry out their threat to close their plants—which would have been the first strike in Brazilian history by industrialists. But they felt bound to issue their ultimatum in the face of the Planning Minister's refusal to give their problems special consideration.

They considered that Sr. Delfim Netto's decision was purely political, without economic logic since, to them and to many observers, the roots of Brazil's rampant inflation, running at over 23 per cent for the first four months of the year, lie in age-old regional and income imbalances and the profligate past spending of the public sector, not in the prices charged by industries

In recent months, the Planning Ministry has tried to clamp down on industrial prices, to show it is tackling inflation.

More UK officers sought to train Zimbabwe army

BY OUR SALISBURY CORRESPONDENT

BRITAIN has been asked to send more military training personnel to Zimbabwe to speed up the creation of a national army from the forces that fought the seven-year guerrilla war.

Mr Robert Mugabe, the Prime Minister, made the announcement to parliament yesterday, apparently dissatisfied at the way white officers from the former Rhodesian army were conducting the integration programme.

Mr. Mugabe said Zimbabwe faced "enemies who are working against us and unless these enemies cease their operations one cannot become complacent."

This was apparently a reference also to South Africa, which Mr Mugabe accused on Thursday of training and harbouring Zimbabwe dissidents to commit acts of sabotage.

Military integration faces the formidable task of fusing three deeply hostile forces into a single army: Mr Mugabe's 23,000-man Zanla, Mr Joshua Nkomo's Zipra, numbering between 12,000 and 15,000, and the former Rhodesian forces.

The programme has been slow to start with only 1,200 former Zipra and Zanla guerrillas being retrained as conventional troops.

The depth of Zipra-Zanla animosity was further illustrated yesterday when seven of Mr. Nkomo's followers, including two of his senior officials trained as policemen in Yugoslavia, went on trial charged with murdering two of Mr. Mugabe's followers

Begin 'to become defence chief'

BY DAVID LENNON IN TEL AVIV

MR. MENACHEM BEGIN, Israel's Prime Minister, is expected to announce to the Cabinet tomorrow that he is appointing himself Defence Minister in place of Mr. Ezer Weizman who resigned this week.

This step has been forced on the Premier by failure to win coalition agreement for his planned Cabinet reshuffle.

Mr. Weizman, who resigned in the hope of bringing down the Government, or at least replacing Mr. Begin, yesterday continued his attacks on the Premier, whom he blames equally with Egypt for failure to make progress in the Palestine autonomy talks.

Israel shsould unilaterally implement autonomy on the West Bank if no agreement is reached, he says.

A series of discussions between coalition parties yesterday failed to resolve differences between them over the proposal to transfer Mr. Yitzhak Shamir, the Foreign Minister, to the Defence post and move Mr. Yitzhak Modai, the Energy Minister, to the Foreign Ministry.

Most of the opposition is to the appointment of Mr. Modai as Foreign Minister, though Mr. Ariel Sharon, the Agriculture Minister, is also strongly against giving the defence portfolio to anyone other than himself.

Because the internal rivalry threatened to split the coalition and bring down the government, Mr. Begin was yesterday apparently resigned to dropping his proposed reshuffle.

But his aides said that the Premier hoped he would not have to hold the defence portfolio for long. He still hoped to effect a mini-reshuffle within a few weeks.

The man who brought on the crisis, Mr. Weizman, said yesterday that Mr. Begin's friends had done him an injustice by not telling him that a man can lose his place in history if he does not conclude at the right time that he must retire.

But at a Press conference he stressed that the bitter personal exchanges between the Premier and himself were not the real issue.

'The dispute is not over what people think about me or I think about them. The discussion should be about how to improve the state of Israel, which, to the best of my knowledge, is in one of the most difficult crises it has ever experienced," he said.

Meanwhile, there has been very muted response to a proposal by the member of the Democratic Movement to establish a new centrist party including Mr. Weizman, the former Foreign Minister, Mr. Moshe Dayan, and Deputy Premier, Mr. Yigael Yadin, head of the Democratic Movement.

Mr. Dayan is understood to have rejected the idea, while official spokesmen for the Democrats have said the initiative is unofficial. Mr. Weizman has displayed some interest,

Israel faces stagflation

BY OUR TEL AVIV CORRESPONDENT

THE GOVERNOR of the Bank of Israel has warned that the country is heading for stagflation because of increased Government spending and tight credit restrictions on the private sector.

Mr. Arnon Gafny called on the Government to cut public domestic expenditure this year by I£15bn (£145m). This is exactly the real growth planned for the defence budget in the current fiscal year.

The Government failed last year to halt inflation, which topped 111 per cent, or to cut the balance of payments deficit. Mr. Gafny said that the deficit in the current account of the private sector was up 35 per cent last year to $3.8bn.

Fishermen in protest over cheap imports

BY RICHARD MOONEY

FISHERMEN sailed up the Thames yesterday then dumped fish on the steps of the Agriculture and Fisheries Ministry in protest at cheap imports which they say are driving them out of business.

They intended to make a symbolic presentation of fish at 10 Downing Street, but this was ruled out by police.

The protest was organised by the National Federation of Fishermen's Organisations, which represents mainly East Coast skipper-owners. It included Mr. Austin Mitchell, Labour MP for Grimsby, the port which is suffering most from the imports.

The federation started a campaign for Government action three weeks ago. Its members stopped co-operating with the Government on things such as filling in sales notes and log books. They have threatened to picket container ports where imported fish is landed.

The London demonstration appears to have been fairly gentlemanly. The ministry said the fishermen put newspaper on the steps before depositing fish baskets. One overturned, spilling its fish, but this was thought to be accidental.

Scenes at Newcastle-upon-Tyne were less dignified. One woman was taken to hospital after a crowd clamouring for free fish—another symbolic gesture from the fishermen—got out of hand.

The fish, about £600 worth, was handed out by fishermen's wives in support of the call for protection against imports.

Police reinforcements had to be called in to control the crowd, estimated at 3,000.

The fish were landed from boats which had sailed from North Shields, where wives staged a mock funeral to symbolise the industry's plight.

A coffin containing a single haddock and draped with a Union Jack was ceremonially thrown into the river by wives dressed in black.

Fish were given away at other demonstrations at Scarborough, Whitby and Grimsby.

The protest will continue today at Blackpool, involving 80 fishing boats.

● The Agriculture Ministry hopes the marthon debate on a common fisheries policy for the EEC—another matter worrying British fishermen may end this year.

EEC Foreign Ministers on Thursday agreed for the next meeting of the Community's fisheries council, which for the first time includes all the matters Britain wants thrashed out.

"This paves the way for sensible negotiations on fisheries aimed at concluding a common fisheries policy for Europe by January 1, 1981," the Ministry said.

Fish was dumped on the steps of the Agriculture, Fisheries and Food Ministry when fishermen converged on London yesterday to protest over cheap imports, which they say are forcing quayside prices below viable levels.

SNP is 'finished with weak-kneed compromises'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

NATIONALISM in Scotland is not dead despite the obituaries that have been written. Mr. Gordon Wilson, chairman of the Scottish National Party, told the annual conference in Rothesay yesterday.

Mr. Wilson, MP for Dundee East, said many of the party's advances in the last two decades had been interspersed with disappointment. At the crucial moment momentum had slackened and success had slipped from the party's graps.

"But disappointment is not despair and setbacks are not routs. Only the enemies of Scotland hope that, because the enemies of Scotland want to believe that.

"This party is still alive and, if not exactly rejoicing, is angry at the contemptuous way in which the Scottish people are now being treated. Come hell or high water, the National Party is determined to succeed."

It had had electoral setbacks at local and national level, but its share of the vote was again rising.

The speech, designed as a morale booster, also pointed the way forward for the party now devolution is dead, at least for this Parliament.

That phase in the SNP's struggle for national freedom was over, Mr. Wilson said. The party would have no more to do with devolution. It was finished with weak-kneed compromises.

The conference and the party are committed to a direct attempt to win total independence for Scotland rather than proceeding through the halfway house of limited home rule. But there is still confusion about how it is to be achieved.

Most of the conference time has been taken up with detailed discussion of policies to be implemented if and wen Scotland achieves statehood—from the encouragement of community co-operatives as an alternative to nationalisation to free telephones for pensioners.

Less time has been spent considering how independence might beachieved. It was left to a fringe meeting of the radical 79 Group to point out that it is the Labour Party rather than the SNP which is attracting the anti-Government vote in Scotland.

The group has called for a campaign to attract young people and trade unionists away from Labour to the Nationalist cause.

In a topical resolution the conference condemned the proposed closure of the Wiggins Teape pulp mill at Fort William and called for Government intervention to save it.

Mrs. Winnie Ewing, European Parliament Member for the Scottish Highlands, said that there was no justification for the closure. The mill itself may have lost money, but taken with the fine paper plant alongside it the complex made £2.7m profit last year.

Banks cool to £500m plan for arts aid

Financial Times Reporter

MR. Norman St. John-Stevas, Minister for the Arts, has started discussions with the London clearing banks about his plan to establish a trust fund, possibly as much as £500m, for the support of the arts.

He has written to all the bank chairmen and held informal meetings with a number of senior bankers about his proposals, which will be discussed at the next meeting of the Committee of London Clearing Banks.

Mr. St. John-Stevas indicated that he would be approaching the big banks, major oil companies and other institutions to increase their support for the arts about a month ago.

Initial reaction from the banks to the idea of a massive new trust fund is cool. One said yesterday it preferred to choose its own projects for support.

Two directors disqualified

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

TWO COMPANY directors have been disqualified under the 1976 Companies Act.

They are Mr. Patrick O'Neil and his wife Kathleen, directors of two North London property management companies, Lauricroft and Ainville.

They were ordered by Mr. Justice Vinelott not to be directors, or be diretly or indirectly concerned in the management of any company for five years from May 19, without the court's permission.

The disqualification order was made because of the couple's persistent failure to file annual returns

It was the first such order to be made under Section 28 of the Act, which enables the Department of Trade to apply to the court to have directors disqualified for failing to file returns for three years.

Metal Box cuts 100 jobs

FINANCIAL TIMES REPORTER

METAL BOX is reducing the workforce at its factory at Wisbech, Cambridgeshire, by about 100. The company makes cans for the food processing industry. A reduction in demand has been blamed for the cut. The factory employs 880 workers.

The company said yesterday: "We hope to lose the jobs through natural wastage in the next 12 months."

Earlier this year the company laid off almost 600 workers for two months because of the national steel strike.

RAC to take travel agency service into high street

BY JAMES McDONALD

RAC TRAVEL and Brokerage, one of the subsidiary companies formed in the extensive restructuring of the Royal Automobile Club, will open a chain of High Street showrooms to expand its travel service.

At present, RAC service offices and showrooms offer RAC travel and brokerage services as an adjunct, but the emphasis will be reversed in the company's own travel agencies.

The RAC hopes to attract more customers who are not members and who may not be motorists. It plans to use the resulting greater buying power to obtain better booking terms in the travel world, while maintaining the "quality" image of the RAC.

One snag which the company has to overcome, however, is its name. Mr. Douglas Richards, chairman, agreed yesterday that the name RAC Travel might give the mistaken impressions that it catered only for the RAC member and that its service was only of use to motorists.

"We deal with all aspects of travel, in the same way as any other good travel agency," he said.

Mr. Richards said the RAC had considered more than 250 names for the service and had narrowed them down to two—"still a secret except to our 2,000 staff." The difficulty was to retain in the name the RAC image of reliability and quality, but to stress the universal availability of the travel service.

The name may be disclosed when the company's first high street shop opens perhaps in September. The company is moving cautiously and has set no target on the number of offices.

Reliant defends its Robin on eve of test results

TELEPHONE-CALLERS to the Reliant Motor Company, Tamworth, Staffs, yesterday were answered by a recorded message.

It suggested that owners of Reliant Robin three-wheelers, worried about a possible steering defect, should contact their dealers, or, if still unsatisfied, Reliant itself.

Reliant's factory was closed for a holiday. However, the recorded message was introduced after Mr. Norman Fowler, Transport Minister, said he would order safety inspections for 500 Robins, to be randomly selected through the vehicle-licensing computer at Swansea.

Mr. Fowler's announcement was on the BBC TV programme That's Life, which alleged that remedial work on the steering boxes of five out of 35 of the cars examined had not been done properly.

Reliant discovered about three years ago that under heavy loads the steering-box mouting-bracket could break away. Reliant has since instituted three recall campaigns to rectify the problem. The third, last year, involved about 50,000 cars.

Clamps and reinforcing struts were fitted at a cost of £500,000. An entirely new steering assembly has been installed on models produced since the start of this year.

Youth games start tomorrow

A THOUSAND youngsters will take part in the preliminary rounds of the London Youth Games, starting tomorrow, and followed by the finals at Crystal Palace national sports centre on August 2 and 3.

Two table tennis events—at Wealdstone, Middlesex, and at Bromley, Kent—are scheduled for tomorrow, together with a basketball preliminary at Islington.

During June, other preliminaries in fencing, gymnastics for girls, karate and lawn tennis will take place at different sporting venues. More than 4,000 competitors are expected to take part in the August finals.

Callaghan to appeal for party unity

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN, Leader of the Opposition will today make a strong effort at a special one-day conference at Wembley to unite the Labour Party for a sustained assault on the Government's economic and social policies.

But his rallying call may be drowned by another outbreak of bitter party wrangling. The 1,100 delegates to the conference are already beset by deep divisions over the alternative party programme to be put before them by the National Executive Committee.

Centre Right groups like the Campaign for Labour Victory have dismissed the NEC policy statements as "empty nonsense." They have rejected any idea that the NEC's Left-orientated policies such as more nationalisation and withdrawal from the EEC can form the basis of the party's next manifesto.

Mr. Callaghan, who will open the debate, has been angrily criticised by some party moderates for not showing a more vigorous personal opposition to the moves.

At the same time his apparent acceptance of the programme is regarded with deep suspicion by the Left. They will attempt today, not only to secure the two-thirds majority that would make the programme official party policy, but to bind the parliamentary leadership firmly to it.

Three Left-wing members of the NEC will speak from the platform during the debate—Miss Joan Lester, Mr. Eric Heffer and Mr. Anthony Wedgwood Benn, who wil have the tactical advantage of winding up the conference.

The party's ability to resolve its differences and rally against the Tory Government will also face a severe test outside the conference hall as the Left-Right struggle over the reform of the party constitution is pursued at mid-day rallies.

Sevent Left-wing groups have united to launch a renewed campaign, led by Mr. Benn, for changes that would give them effective control of the party.

Their demands for the election of the party leader by the whole party, for mandatory reselection and further curbs on MPs, and for the NEC's sole right to decide the contents of the manifesto, will be pressed on delegates.

The seven groups, who have printed 10,000 leaflets backing their call for "party democracy," plan to extend their campaign throughout the constituencies before the party's anual conference in October.

The Social Democratic Alliance, a faction on the party's Right, intends to hold an opposing rally to mobilise moderates.

The campaign for Labour Victory will also urge degelates to secure party reforms that will diminish the Left's influence and so ensure the rejection of its "negative and outdated" policies.

● The Social Democratic Alliance announced yesterday that Mr. Roy Morris, a Bristol City Labour councillor, will stand against Mr. Benn at the next General Election "if he persists in espousing extremist policies in the Labour Party." Mr. Benn, MP for Bristol South-East, had a majority of 1,895 at the last election.

Move towards talks in laggers dispute

BY JOHN LLOYD, LABOUR CORRESPONDENT

HOSTILITIES abated slightly last night between the two sides in the inter-union dispute at the Isle of Grain power station site. Both parties moved towards a basis for talks, possibly next week.

Mr. Eric Hammond, executive councillor of the Electrical and Plumbing Trades Union, one of the major craft unions involved in the dispute, said: "Conditions for talking could not be too far away."

Mr. John Baldwin, general secretary of the Amalgamated Union of Engineering Workers' construction section, has written to Mr. Len Murray, TUC general secretary, proposing talks between the unions, the contractors and the Central Electricity Generating Board on a single site agreement with common bonus rates.

The open-ended bonus rates enjoyed by laggers previously employed on the site, members of the General and Municipal Workers Union, lie at the heart of the dispute. The craft union has supplied trainee laggers to replace the GMWU men, adding to bitterness between the sides.

Mr. Frank Earl, the GMWU national officer whose responsibilities include the construction industry, would not comment on the proposal for a single site agreement, but said: "We will attend any meeting at any time. We are always ready to try to get this dispute resolved."

He rejected Mr. Baldwin's suggestion that the 27 GMWU laggers originally employed on the site could return to work beside the trainee laggers. "There is absolutely no chance that we would agree to that. These men must be removed if there is to be a settlement."

Next week Mr. Murray will consult members of the sub-committee of the finance and general purposes committee which has been trying to solve the dispute.

The sub-committee, whose members include Mr. Ray Buckton, general secretary of the train drivers' union ASLEF, Mr. Lawrence Daly, general secretary of the National Union of Mineworkers, and Mr. Geoffrey Drain, general secretary of the National Association of Local Government Officers, recommended in March that the laggers return to work under the open-ended bonus arrangements previously in force.

The craft unions and the CEGB have refused to accept this formula so it is likely that the sub-committee will seek to open talks based on Mr. Baldwin's single site proposal. The GMWU is still publicly opposed to an agreement on that basis.

The CEGB said last night a picket of six GMWU members had remained on the Isle of Grain site since Tuesday's mass picket. There had been no further incidents and work had proceded normally.

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Pilkington offers glass workers 39-hour week

BY OUR LABOUR STAFF

PILKINGTON BROTHERS has conceded a 39-hour week, from next year, in an offer to process workers.

The offer from the St. Helens, Merseyside-based glass manufacturer affects 7,200 workers represented by the General and Municipal Workers Union.

The proposals include an average 17.5 per cent increase in grade rates, longer holiday entitlement, and improved shift pay.

Mr. David Warburton, the union's national officer for the glass industry, said the 39-hour week was seen by the company and union as a step towards further reductions in hours.

The company has also offered a new employment agreement. The union hopes this will aid negotiations on introduction of new technology and provide the opportunity of retirement at 63.

The lowest wage rate would be increased from £71.84 to £82, and shift pay increased by more than £4 a week for workers on continuous process.

The union indicated, however, that although the pay element was close to what might be acceptable, it was still short of what negotiators are seeking. Talks with the company are due to resume next week.

Call for one wages body for building industry

FINANCIAL TIMES REPORTER

A FURTHER call for a single central wage-bargaining body for the building industry was made yesterday at the annual meeting of the National Federation of Building Trades Employers' Southern - western region.

Mr. Maurrison Dunbar, federation chairman, said the federation was prepared at any time to consider any new and constructive proposals that could achieve "this most desirable objective."

He was referring to creation last year of the Building and Allied Trades Joint Industrial Council (BATJIC) which negotiated a separate pay agreement this year with the Transport and General Workers' Union.

The NFBTE had made strenuous efforts to prevent establishment of a second wages and conditions negotiating body for the industry, Mr. Dunbar told the meeting at Cheltenham.

"We believe the existence of two separate wage rates and working-rule agreements covering building workers is a threat to maintenance of good industrial relations in the industry," he said.

Whereas leadership of the Federation of Master Builders—the employers' side of BATJIC—had said publicly its members were not obliged to follow the BATJIC working rules, all NFBTE members were obliged, under the federation's constitution, to observe the National Joint Council for the Building Industry agreement, Mr. Dunbar said.

He said that, meanwhile, NFBTE would continue its efforts to resolve this problem and re-establish a single, central wage-bargaining body for the building industry, within which the interests of all employers in the industry could be represented effectively.

Crippling economic pressures bring down the Big Top

Matto the Clown after hearing of the closure of Gerry Cottles circus.

Robin Pawley and Lisa Wood look at the circumstances which will mean the end of Gerry Cottle's Circus in a fortnight's time.

WHEN NELLIE the elephant packed her trunk and said goodbye to the circus she was showing considerable business foresight.

Today it costs £180 a week to feed an elephant and £15,000 to £20,000 for a trained animal. Faced with that, and unpaid bills of about £200,000, Gerry Cottle's circus has announced its closure in a fortnight's time.

Next week Gerry Cottle's big top will set off from Highbury Fields, London, for the circus's last performance at Hemel Hempstead, Hertfordshire. After that its 50 artistes and other employees will be looking for work.

The crippling costs of taking a large circus with leading stars on tour has split the survivors of Britain's circus worlds into two different traditions.

Most of the famous names—Chipperfields, Fossetts, Austin Brothers and the James Brothers—have cut their circuses down to small shows based on acts within the family. These continue to move in the old touring tradition of weekly shows travelling the provinces.

But David Smart and his daughter, Jasmine, have taken a new road. Abandoning the touring tradition started by David's father, Billy, they are staging a 3½-month show in Battersea Park, London, this summer with spectacular circus acts from around the world.

Mr. Smart said yesterday: "By staying put and eliminating impossible transportation and fuel costs we can afford to bring in 18 international acts of the superstar class which will be appearing in Britain for the first time. If we went on the road we probably could not afford any of them."

David and Jasmine Smart's show represents an investment of more than £700,000—the largest amount ever put into mounting a circus in Britain. When the famous Billy Smart put his first circus on the road in 1946 it was the largest in Europe, and cost just £30,000 to assemble.

The new box office for the Battersea show alone has cost £40,000. Smart's new big top, imported from Italy, is made of fire-proof PVC with plush cinema-type seating.

"The financial overheads of circuses have become enormous. The public wants style and comfort as well as the best and newest acts. They want proper car parks and do not want to be wading around in mud if a drop of rain falls. It all costs money," said Mr. Smart.

"If you do go on tour and add in the costs of fuel, maintenance of vehicles which have to pass an MoT every year, drivers' salaries, costs of tent erectors and the rest it becomes unmanageable in today's economic climate."

The running costs for the Battersea Park show will be about £20,000 a week for a company of 60, including many local part-time staff. Touring would nearly double costs and teams would have to be paid to service and maintain the transport during the winter.

Another economy has been a reduction in the number of animal acts and an end to the tradition of the circus owning animals.

Mr. Smart now engages animal acts on contract for the season, apart from horse teams trained by Jasmine.

"We cannot be surrounded by animals any more because of the expense."

His summer show has six elephants on contract, worth about £100,000. Apart from Jasmine's Andalusian and Arabian horse teams, the only other animal acts are the sea lions and penguins.

Lions, tigers and monkeys have disappeared. Mr. Smart says cages and ring procedures needed for such acts slow the programme and add to expenses.

If the circus can fill its 3,500 seats for each performance it should generate revenue of £50,000 to £60,000 a week, excluding income from food and drink concessions.

Circus economics, like those of the theatre, dictate that calculations are costed on an average audience of 50 per cent, although Mr. Smart is confident that his permanent site will produce higher figures than this.

Plans for a Christmas season are advanced and the Greater London Council has given permission for Mr. Smart to repeat summer circuses at Battersea for the next five years.

Seats at Battersea will cost between £2 and £6 for adults. At Gerry Cottle's Highbury Fields site this week several mothers were heard complaining that the prices of £1.50-£3.50 for adults and £1-£2.50 for children were too high. Few seemed comforted by the comment that tickets for the cinema and theatre would often be higher.

Many of the self-employed artistes found it hard to believe that Cottle's circus was doomed to close—but most faced the future with confidence, saying there would be alternative work "if you are prepared to go anywhere."

Barry, the ringmaster and apparent Jack of all trades, including signwriter, said: "In other countries the adults are the ones that run to the tent. It's dreadful that you have to go abroad to be appreciated. We have some of the best artistes in the country and this is a bloody good show."

Willy Cottrell and his wife, who have a hand balancing act, echoed the migratory nature of the job. "We have got to be prepared to go anywhere in the world where the money is good," said Willy.

He declined to say how much he was paid for his act, but said it was more than the average wage. Top class circus performers can command fees of between £1,000 and £4,000 a week. But costs are also high. His costumes can cost more than £200 each and he needs a wardrobe of about 20 outfits every year.

Willy, whose father was an acrobat and who was born in the Far East, said he was pursuing offers of work elsewhere. He is fortunate in having an act which is not restricted to the circus and which can be performed in nightclubs, for example.

Joanna added: "The public thinks that everybody in a circus has run away to join it and works for £10 a week, works 24 hours a day and flings themselves under a bus if the show closes. We have a top act, we get a top salary and there is always work here or at the other end of the world."

Performers spoke of the positive encouragement given to circus performers abroad, particularly in Eastern Europe, where national state circuses are supported by their governments and there are state schools for training performers.

Other countries such as France have opened state schools and circuses and given subsidies for development.

In England a Circus Foundation was formed two years ago to try to set up a circus school. The Charity Commission has not approved it.

"Perhaps they thought it was a group of circus owners trying to evade taxes," said one circus employee. "It was a genuine effort to help youngsters who want to follow a career in the circus," he said.

Ron Marshall, of The Philadelphia Flyers at Gerry Cottell's Circus, said: "In the UK, particularly with the increases in VAT, the performing arts are stopped before they start."

Criticisms of Gerry Cottle's Circus are hard to find among his employees. Others involved in the same business suggest that the touring show, expensive in itself to keep on the road, failed to offer new attractions as it revisited a similar circuit of venues. Audiences failed to return because they believed they had seen it all before.

David Smart in his new venture at Battersea is determined to present a spectacular of star attractions. He toured extensively to find new acts, taking with him his wife who speaks German—the international language of performers. Mr. Bob Price, circus Press officer said: "We want to be a resident circus in London. There has not been one since Bertram Mills closed his circus at Olympia in 1964-65."

The circus at Battersea will open just a short distance from the place where, it is claimed, the modern circus was born. Sergeant-major Philip Astley founded the first-known circus ring in the United Kingdom at Halfpenny Hatch, Westminster Bridge, in 1768.

David Smart has already received bookings from families in the North of England for his Battersea show. This is, he says, an indication of the quality of his stars—but it is also a sign that his is the last of the big circuses left in Britain.

IT'S GETTING HARD TO RECOGNISE A CAPITALIST.

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Gloomy forecasts pile up

LONDON

ONLOOKER

Although there has not been so much hard bearish news this week, there has been no shortage of gloomy forecasts to keep equities down. Beecham and Courtaulds both produced figures a little less bad than had been feared on Thursday, but this provoked only a minor rally, and the FT 30-Share Index has gently slipped back towards its January low point.

Gilt-edged had another strong day on Tuesday on the back of foreign interest. The medium tap—Exchequer 13½ per cent 1992—was exhausted, and promptly replaced yesterday by a £1bn issue with the same coupon and a maturity two years longer. But sterling, having briefly moved above $2.37, has fallen back steadily, and profit-taking has followed in gilt-edged.

Cut and trim

It is not very difficult to understand why the textile sector yield is second only to the beleaguered toys and games industry in the FT-Actuaries Share Indices.

Courtaulds, still the largest textile company in the world according to a recent survey by the German magazine, Textil-Wirtschaft, faces the common problem of global over-capacity and softening demand which, in the case of the group and its British rivals, has been compounded by the ferocious squeeze on export margins dictated by a strong domestic currency, the simultaneous glut of low priced imports and high interest rates.

Small wonder, then, that the stock market was bracing itself against the chance of a dividend cut and even though the distribution was bravely maintained, the yield is still over 18 per cent. With the help of a reduction in planned capital spending, the group has largely been able to contain its cash position and net debt has risen by just £23m over the last year. But the £4.1m improvement in pre-tax profits to £68.1m does not reflect the real financial position.

An adjustment for current cost earnings all but wipes out the published level of profits which in any case had been struck before a £26m provision for closure costs.

The group is now warning that trading conditions are currently the worst seen for 10 years and its response has been to trim its operation to the extent that 12,500 jobs were shed in the year to March last: the pruning exercise continues.

In the past month the closure of three more mills in the heart of the Lancashire textile belt has been announced and two more factories in Cumbria face the axe with the loss of a further 670 jobs.

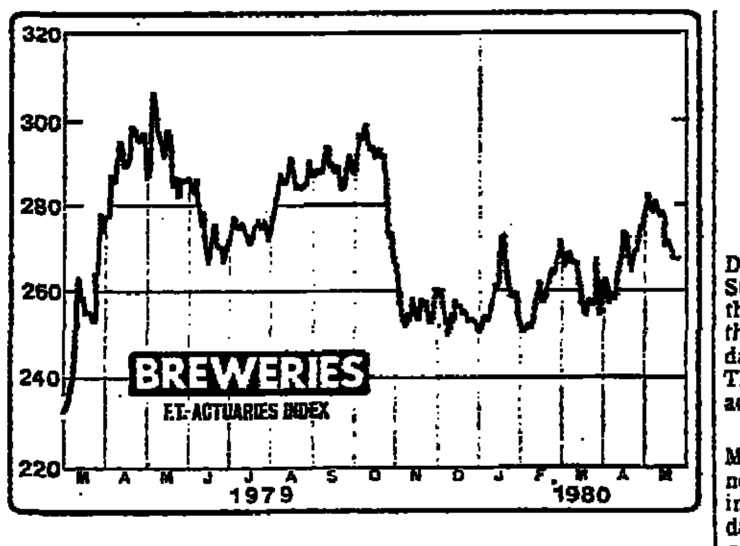
Courtaulds is also pulling out of another fibre-producing plant in Carrickfergus, Northern Ireland. This strategy may be contrasted with the announcement that British Enkalon's Antrim plant employing around 2,000 people is to receive a £33m modernisation effort over the next five years.

There are obvious differences between the two companies. Courtaulds has profitable paint and cellophane interests and its overseas trading subsidiaries have progressed well. The new chairman, Mr. Christopher Hogg, is adamant that "if we haven't got a viable operation then we close it."

It would be hard to describe British Enkalon, in isolation, as a viable business. Losses last year reached £2.15m pre-tax to bring the accumulated deficit over the last five years to £6m. Reserves are now in the red to the tune of £340,000. Worse still, losses this year are expected to steepen.

The company, however, is controlled by the Dutch chemicals and textile group, Akzo which runs complementary man-made fibre operations in West Germany and Holland through Enka. Its idea is to dovetail production in the UK and Continental Europe which will provide British Enkalon with scope to boost exports while maintaining its share of the domestic market.

British Enkalon is making no promises of a fast recovery and no dividend is likely to be paid until December 1983 at the very earliest. Its shares have anyway been trading so far below the nominal value, as to block any conventional re-financing route. In addition to the proposed £33m investment in new plant and equipment for Antrim, Akzo is to subscribe £7m through 28m new unquoted "A" ordinary shares at par to lift its holding by 12 per cent to almost 84 per cent. That should repair the balance-sheet for the time being but Akzo, like Courtaulds, is only too well aware that the clouds on the trading horizon are blacker now than they were last year.



Refining pinch

The sugar world, waiting keenly for S & W Berisford's offer document for British Sugar has had to hold its breath for another week, but Tate and Lyle's interim figures have thrown some light on conditions in the industry. T & L's sugar refining profits in the UK have fallen from £4.6m in the six months to September to £1.7m in the six months to March, and in the current half year they will be almost invisible.

The problem is that British Sugar, a cheaper producer than T and L, is sitting on an excellent beet crop and—glancing over its shoulder at imports of European white sugar, encouraged by the strong pound—cutting prices to the bone. There is still 10 per cent overcapacity in UK sugar refining, and neither T and L nor British Sugar is prepared to close plant down until the new EEC sugar regime has been hammered out.

Crowded saloon

The problems in UK refining are just one of a number of factors which are delaying Tate and Lyle's profits recovery: losses on agricultural engineering contracts, and difficult conditions in the European glucose market are two others. Luckily, the active world sugar market has allowed T and L's commodity dealers to double their profits at the trading level. Overall, pre-tax profits emerged at £9.2m, compared with a figure of £11.2m which included £4.9m of exceptional items in the first half of 1978-79. The dividend for the full year looks likely to be held at 10.5p, but shareholders may face a long wait before an increase is possible.

In times of recession, breweries regularly acquire a reputation as defensive stocks—the supposition being that the customer will sacrifice a new car sooner that the daily tipple. While there is no doubt that brewers will avoid the earnings carnage currently being suffered by manufacturing industry, recent figures suggest that the consumer is casting a colder eye on the price of a pint.

Hoare Govett recently produced a sector analysis showing that beer consumption per head fell by nearly 30 per cent between 1930 and 1933, and by 10 per cent in 1947. At present, consumption is probably creeping up, helped by the continuing lag between beer price rises and retail price inflation. Yet there are signs of a shift towards cheaper beer as the recession deepens.

This week, for example, Young has reported annual profits down by £100,000 to £1.55m. Volume overall was lower. With a modest proportion of managed houses, Young is at the mercy of its London and Home Counties tenants who are often happy to charge up to 60p or so for a pint.

This was acceptable during the heyday of real ale enthusiasm but there are now signs of significant price resistance and the brewery is having to consider taking over direct management of more pubs.

By contrast, Wolverhampton and Dudley has pushed interim profits up almost 17 per cent to £3.9m. Sales were 15.3 per cent higher which strongly suggests that the group has gained a little market share. With its mild ale selling at 35p per pint and its bitter at 37p in public bars, Wolverhampton is almost certainly undercutting its major competitors in the area, Ansells and M and B. Price competitiveness is a major factor in the West Midlands, where unemployment is rising fast.

For the majors, this provides food for thought. No longer shackled by the price commission, they are able to adopt regional pricing policies and try to squeeze the local brewers. Bass, for example, can now cut its margins in the competitive south east while putting up prices in the north west where it has a powerful presence.

The summer may prove the testing point. After three poor years, brewers are looking for a long, hot period favouring groups with a strong presence in the lager market—like Bass and Whitbread. If this week's figures are anything to go by, however, consumers may desert premium-priced lagers and quench their thirst with a pint of more traditional fare.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. Index	415.9	+ 7.4	478.8	406.9	UK recession begins to bite
F.T. Gold Mines Index	332.8	−22.7	377.9	265.5	Strength of bullion price
Anglo American Corp.	575	+35	720	485	Ahead of Tuesday's results
BPC	17	− 4½	36½	16	Warning of Int. loss & div. passing
Babcock Intl.	77	− 6	116	76	Warning of lower int. profits
Borthwick (Thomas)	30	−13	65	30	First-half loss & div. omission
Brent Chem.	132	−12	150	115	Chairman's cautious remarks
Brown & Jackson	125	−23	225	125	Proposed £3.83m rights issue
Brunning	39	− 5	49	35	Annual profits setback
Electrocomponents	490	−33	558	413	Adverse Press comment
GEC	346	−11	388	326	UK microchip project doubts
Haoma Gold	77	+25	77	30	16.8% stake in Strata Oil
Lee Cooper	197	−25	300	197	Lack of support in thin market
National Carbonising	116	+ 6	148	104	North Sea oil enthusiasm
Poseidon	147	+27	148	80	Strength of Gold
RTZ	370	+23	485	327	Vague bid rumours/inv. demand
Spring Grove	81	−15½	96½	67	Board's warning on profits
Strata Oil	32	+22	32	10	Gas find in Perth Basin
Tate & Lyle	122	− 8	178	118	Interim results disappoint
Thomson T-Line Caravans	80	+20	80	47	Retiring chairman to sell stake

After the rejoicing comes the realism

NEW YORK

IAN HARGREAVES

DID SOMETHING snap in Wall Street this week? Some people thought it did, and they thought they heard the snap on Thursday. But others are not so sure. They just call it "technical adjustment."

The week began after the Memorial Day holiday with news of the Fed's credit loosening moves the previous Thursday still in the air. The Fed's action reinforced the bullish mood that has gripped the investment community ever since interest rates began their spectacular dive in mid-April.

It obliterated for a while longer the warnings of the more sceptical observers that the bull market could not last—that the looming recession was bound to eat into corporate profits and in the end pull down share prices.

But for the first two trading days, at least, the rejoicing continued, particularly when the Dow pierced the 860 mark, notching up an impressive 100 point gain since the bottom of the bear market earlier this year. There were also more prime rate cuts as major banks moved down from 16 per cent to 14 per cent.

Moreover, as the week moved on, the gloomy message seemed to start getting through, and by Thursday it evendently struck home. The market went into a steep slide, obliterating the gains made on the four previous trading days.

The nervousness spilled over into yesterday when the news of the sharpest monthly drop in the Government's list of leading economic indicators provided further fuel for fears of a very severe recession. Mr Jeffrey Nichols, chief economist at Argus Research and one of those expecting the worst, immediately pronounced that the indicators showed the recession could not be "front loaded" as Mr William Miller, Treasury Secretary and others have postulated. "A very difficult period of pain and agony lies ahead in the second half," he said.

This was somewhat ironic given that the Fed had taken another step towards easing credit only on the Wednesday evening by cutting the discount rate from 13 per cent to 12 per cent. However, this had been expected for at least ten days, and was already built into prices.

Moreover, a mere one point cut still leaves the discount rate way above market rates, so in practical terms the move makes no difference at all.

Given that the Fed has only partially dismantled the huge array of credit controls it has introduced over the past eight months, there is clearly still scope for some economic stimulus from that quarter.

However, the market clearly seems to be taking a more realistic view of the prospects than it has for some time. Unemployment is rising fast, production has slumped, and productivity has fallen too. And though the Fed's actions reveal its concern for the way the economy is heading, "overkill" is now one of the buzz words in Wall Street as investors look towards what could be a tough six or nine months.

The big movers this week, both up and down, were the oils—against. They gained strongly in the bull market in the first part of the week on expectations of an announcement about the results of test wells being drilled off the promising Canadian Atlantic coast.

It is some time since the companies made full progress reports about their activities there, and the market is clearly getting impatient. However, Mobil, one of the leading participants, said it has no announcement to make at the moment, and this cooled off the excitement somewhat, and may have contributed to the 14 point drop on Thursday.

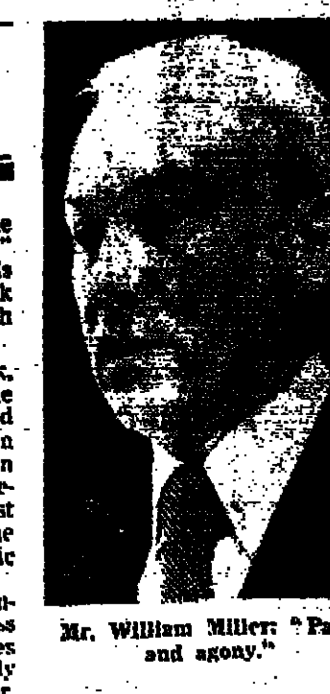
Oils have also been strong on rising oil prices since the OPEC meetoing. Other recent movers have included the computer stocks and precious metals, though the latter still seem to lie at the mercy of the commodity markets.

Arbitrageurs in Howard Johnson shares who have sweated out many long months of uncertainty about imperial group's $28 per share bid, were finalyl rewarded on Thursday with news that Imps hopes to complete the deal in the week of June 16.

This is slightly earlier than many people had expected (the deadline is September), and Howard Johnson shares immediately gained more than $1 to reach just over $27.

Another piece of good news for shares (which have taken a back seat to bonds because of the high yields available in the fixed income market) is that mutual fund sales appear to have taken off again.

The Investment Company Institute, the Washington-based trade association of the mutual fund business, reported on Wednesday that mutual fund sales in April set a new record of ??



Mr. William Miller: "Pain and agony."

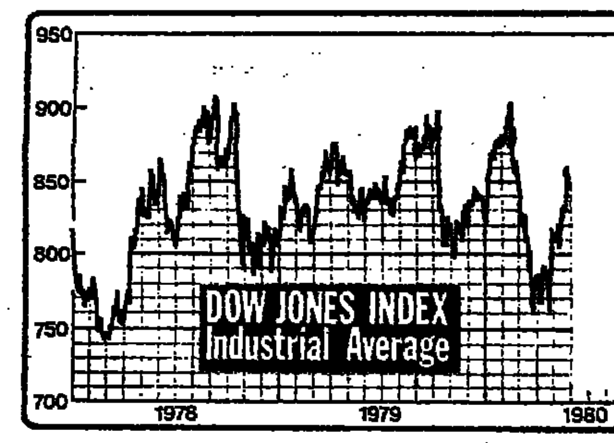
April was also the first time in two months that mutual funds sold more than was redeemed from them. Sales of funds specialising in long ter mbonds were also strong, the institute reported, but the biggest gains had come in the stock categories listed as aggressive growth, growth and growthand income.

There was a similar type of morale booster statistic too in a report from Oppenheimer, a Wall Street securities firm, that one present trends a record could be set this year in the volume of new equity financing by companies.

In an attempt to escape high interest rates and, until recently, hostile bond market conditions, company treasurers have apparently been turning in increasing numbers, where their growth prospects permit it, to the stock market to retire some high interest debt and strengthen their financial bases.

Oppenheimer's report shows that at mid-May stock offerings this year had reached $3.5bn, up from $1.65bn in the same period last year. If this pace was maintained, Oppenheimer says the annual total would reach $9.97bn.

Monday holiday		
Tuesday	857.76	+ 3.66
Wednesday	860.32	+ 2.56
Thursday	846.25	−14.07



Things start to get murky

MINING

PAUL CHEESERIGHT

THE CHEERY optimism which ran through the mining world a year ago has evaporated. Confidence engendered by a few months of rising profits and firm metal prices has given way to a gloomy concern about the effects of recession. Metal prices have looked sluggish for a couple of months.

Senior executives are reluctant to make predictions about the fortunes of their groups over the next few months. Clearly they do not wish to raise the expectations of their shareholders.

Mr. Charles Baird, the chairman of Inco, the Canadian group which leads the international nickel industry, is expecting a good second quarter, but he added, "beyond the second quarter things start to get murky."

At the Rio Tinto-Zinc annual meeting in London, Sir Mark Turner, the chairman, was noncommittally defiant: "With our spread of activities, if any mining house is going to do well, we will too."

In some cases metal prices have fallen to below their 1979 averages but costs have continued to increase. Every time a barrel of oil costs a dollar more, the bigger open pit copper producers around the world, with their dependence on large fleets of huge trucks, are pinched a little tighter. There has been no relief from inflation.

All of this has made the industry introspective again. Mr. Baird cast doubts on Inco's own predictions of a 4 per cent annual growth rate for the international nickel industry because of problems of energy availability and lack of certainty about the rate at which world economies are likely to grow.

And the introspection has led to renewed debate about conditions for new investment, about what the mining groups can do and what is beyond their capacity. This surfaced at a joint meeting in London of the Institution of Mining and Metallurgy and the American Institution of Mining Engineers.

The general point made by Mr. Charles Barber, the chairman of Asarco, one of the major U.S. copper groups, was that under current conditions it is not possible prudently to assume a copper price high enough to justify a major development.

He looked at Cuajone in Peru, a project where Asarco is the biggest shareholder. It reached designed capacity in 1977. It cost $726m, but if construction started today it would cost $1.95bn (£831m).

"Investors would have to assume average copper prices of $2.70 a lb in current dollars to yield a 15 per cent return, if Cuajone were start today," said Mr. Barber. But market prices in New York are less than a dollar.

Cuajone is representative of other major porphyry copper deposits and experience suggests that the cost features of such properties have much in common.

"It is no wonder that Texasgulf recently announced that it would not submit a proposal for the development of the Cerro Colorado project in Panama," said Mr. Barber.

That remark, prepared for delivery some weeks ago, had a piquancy Mr. Barber probably did not intend. RTZ had meanwhile declared that it proposed to step into the shoes of Texasgulf. "Cerro Colorado must rank as one of the great potential mines of the future," Sir Mark Turner had told the annual meeting.

City analysts have wondered why RTZ should wish to step into a project which has been stalled since the 1960s and whose potential costs have deterred other groups. It is presumably because RTZ is taking a very long view and is anxious to have more fresh developments up its sleeve after a period when the main emphasis in the group has been on enlarging existing capacity.

Mr. Barber conceded that "in the longer term new supplies from the development of additional large porphyries will be required," but felt that until the price outlook improves additional supplies will come from expansion of existing mines, smaller high-grade deposits and from mines developed for other metals as well.

Sir Mark would not disagree with this. At the IMM he talked around many of the same factors but he was generally more optimistic about what he read into them. For example, he suggested that the mining of large low-grade copper orebodies — like Cerro Colorado presumably—is no longer dependent solely on the price of copper because of the higher prices now realised by gold, silver and molybdenum, which are present in the orebodies.

This was one factor Sir Mark adduced to make his argument that, contrary to conventional wisdom, the climate for investment has become more favourable. Another was the entry of major oil groups into the industry, with their ability to meet the capital requirements of new projects from their own resources.

The significance of this sort of debate is that the results of it will be reflected in the flow of supplies to the markets in about ten years' time. In the short term there seems no problem about meeting demand. The problem is that decisions on investment for the medium and long term tend to be influenced by immediate difficulties. Mining men sometimes find it difficult to disentangle today's concern about falling profits and prices with tomorrow's assumed need for fresh supplies.

● It looked in the middle of the week as if the unrest in South Africa would finally cause a run from the gold shares market. The Gold Mines Index slipped on Thursday, but as the bullion price climbed yesterday on wider concerns about international instability, the market steadied.

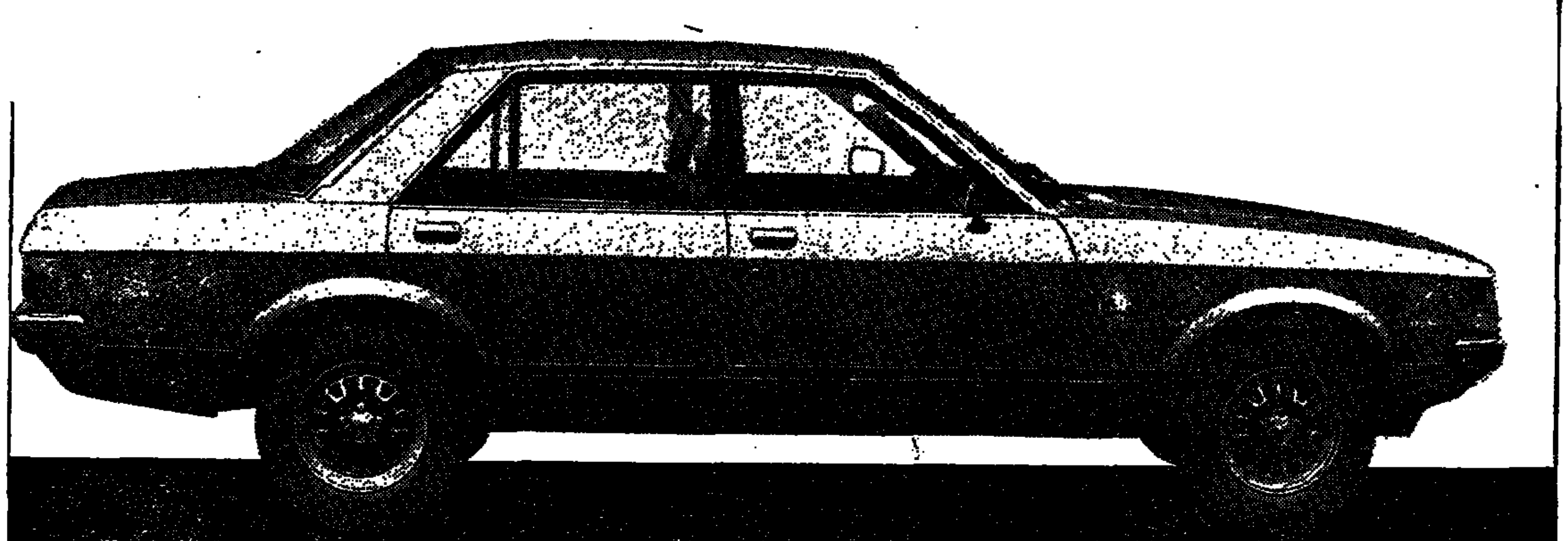
But there has been no uncertainty about the market in Australians. The mining sector has been led upwards by renewed foreign interest in energy stocks. Lower interest rates have made the market look more attractive and the Sydney Metals and Minerals Index has been recovering ground lost since it touched a high point for the year in February.

TIN OUTPUTS COMPARED

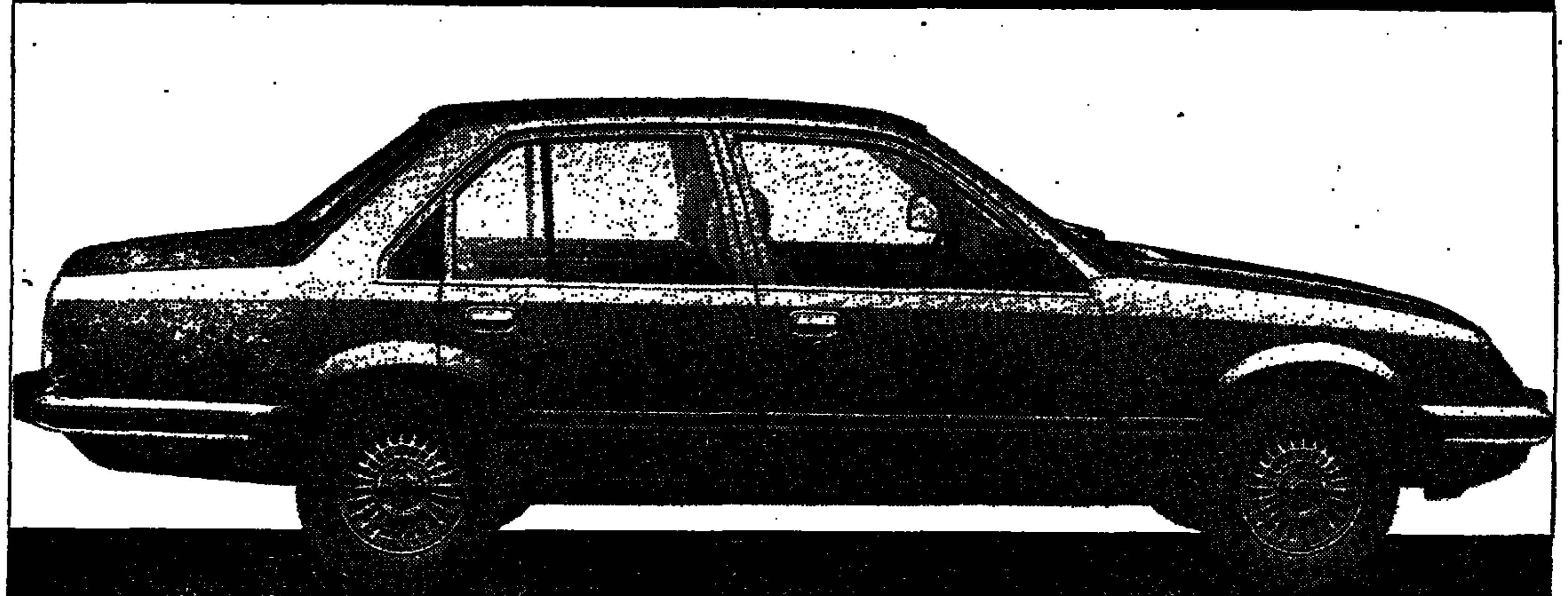
	Apr., 1980 tonnes	Mar., 1980 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal. of Nigeria (tin)	149	192	149	(1)	166
Amal. of Nigeria (columbite)	16	25	16	(1)	19
Aokam	129	133	1,501	(10)	1,231
Ayer Hitam	108	167	1,542	(10)	1,875
Berjuntai	305	351	3,917	(12)	4,128
Bisichi Jantar (tin)	§	§	291	(12)	348
Bisichi Jantar (columbite)	§	§	334	(12)	329
CRM Sri Timah	112	94½	382½	(4)	239½
Ex Lands Nigeria	§	§	102	(4)	108
Geevor‡	92	100	92	(1)	90
Gold and Base (tin)	§	§	51	(2)	50
Gopeng	143½	181½	1,134½	(7)	1,128½
Idris	15½	18½	71½	(4)	90½
Kamunting	12	14	12	(1)	60
Killinghall	§	27½	190½	(8)	194½
Kinta Kellas	26½	41½	26½	(1)	31
Kuala Kampar	28	24	28	(1)	30
Lower Perak	19	21	231	(12)	274
Malayan	229	289	2,863	(10)	2,696
Pahang	106	112	1,153	(9)	1,092
Pengkalen	16½	13½	108½	(7)	71½
Petaling	144	121	754½	(6)	779
Rahman	90½	83	733½	(10)	783
St. Piran—Far East	25	19	25	(1)	Nil
St. Piran—UK (South Crofty)	160	170	160	(1)	205
St. Piran—Thailand	65	51	65	(1)	73
Southern Kinta	103	128	103	(1)	151
Southern Malayan	168	189	1,777	(10)	1,963
Sungei Besi	108	166	168	(1)	157
Tanjong	38	15½	71½	(4)	82½
Tongkah Harbour	16	31	344	(10)	522
Tronoh	128	132	536	(4)	673

‡ Figures include low-grade material. § Not yet available. Outputs are shown in metric tonnes of tin concentrates.

The Granada's shortcomings amount to a lot more than a lack of inches.



GRANADA 2·0 182.4 INCHES LONG



CARLTON 2·0 186.7 INCHES LONG

As you can see, the Granada 2.0 falls a little short of the Carlton when it comes to length.

Something that may come as a surprise to many.

But it's not only in inches that the Granada has shortcomings.

The Granada falls behind the Carlton when it comes to acceleration.

Carlton gets to 60 mph in just 11.4 seconds, over a second faster than Granada.*

And Carlton purrs on to a top speed of 101 mph.*

However, there is one trip the Carlton will make more slowly, and that's to the pumps.

At a steady 56 mph, Carlton turns in 38.7 mpg against Granada's 36.7 mpg.

On the even tougher so called urban cycle, Carlton is still streets ahead at 24.4 mpg to Granada's 22.4 mpg.

And even on those long continental trips at a relaxed 75 mph, Carlton gives you 30.7 mpg to Granada's 27.7 mpg.

Such a large discrepancy is due, no doubt, to the Carlton's advanced aerodynamic shape.

Performance apart, the Carlton is still an exceptional motor car. Many luxurious features are fitted as standard.

Push button radio, quartz clock, cigar lighter, laminated windscreen, 4 speed fan ventilation, wipers with two speed and intermittent wipe and ample storage space.

Comfort, too, leaves nothing to be desired. Rich velour upholstery, thick pile carpet, a heating and ventilation system that is second to none.

Front seats recline and are fitted with tiltable head restraints. The driver's seat even adjusts for height.

While handling is dealt with superbly by independent front suspension with a live rear axle coupled with anti-roll bars.

As a result the Carlton's steering and roadholding make it a car that begs for a spirited driver.

Ask your Vauxhall dealer to prove the facts and figures.

VAUXHALL CARLTON

He'll relish the opportunity of showing you a Carlton making a Granada look small.

CARLTON SALOON £5853, CARLTON ESTATE £6445. PRICES AND SPECIFICATION CORRECT AT TIME OF GOING TO PRESS. PRICES INCLUDE CAR TAX, VAT, FRONT SEAT BELTS. DELIVERY AND NUMBER PLATES EXTRA. SPORTS ALLOY ROAD WHEELS (AS ILLUSTRATED) £237 EXTRA.
D.O.E. FUEL CONSUMPTION FIGURES ARE CARLTON SALOON: CONSTANT 56MPH: 38.7 (7.3L/100KM). CONSTANT 75MPH: 30.7 (9.2L/100KM). URBAN CYCLE: 24.4 (11.6L/100KM). GRANADA 2.0L SALOON CONSTANT 56MPH: 36.7 (7.7L/100KM). CONSTANT 75MPH: 27.7 (10.2L/100KM). URBAN CYCLE: 22.4 (12.6L/100KM).
FOR DETAILS OF YOUR NEAREST DEALER, SEE YOUR YELLOW PAGES OR RING LUTON (0582) 426388, FLEET ENQUIRIES LUTON 426292, MASTERHIRE LEASING LUTON 21122 EXT. 8332, VAUXHALL RENTAL LUTON 21122 EXT. 8721, PERSONAL EXPORT LUTON 426197. *SOURCE: WHAT CAR?

YOUR SAVINGS AND INVESTMENTS

Share transfers and depositaries

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Could you tell me what is the procedure by which to transfer a small shareholding to a friend, who has offered to buy the shares at the price published in the Financial Times on the appropriate day? Is it correct that with the removal of exchange controls, the intervention of authorised depositaries is no longer necessary?

A share transfer form should be obtained from a law stationers. The market value of the shares on the day of transfer should be entered thereon. Stamp duty will need to be adjudicated by the Stamp Duty Office. When complete, the form should be sent to the Registrar of the company concerned, who can then issue a new certificate.

As you suggest, with the abolition of exchange control, lodging with an authorised depositary is no longer necessary.

A power of attorney

I have a power of attorney given to me by my sister, dated July 30, 1978. It has not been stamped and only now has it become necessary to use it. Is it still valid? With reference to your reply under "A power of attorney" (July 15, 1978) would you please explain words, "after a year the presumption against revocation ceases?" is the following form of words acceptable for signatures. "X, by her duty appointed attorney AB"? Would two witnesses to the power be preferable?

The power is still valid, subject to its being stamped. The reference to the presumption against revocations ceasing means that after a year the donee of the power (yourself) must show that the power is not revoked (e.g. by a letter of confirmation from the donor, your sister). Before that it is presumed that the power has not been revoked, unless the contrary is shown. The form of signature you suggest is apt. It should be noted, however, that the power will have been revoked if the donor has become incapable of managing her affairs by reason of mental incapacity.

One witness is sufficient: but if there is any doubt as to the donor's capacity at the time of giving the power it is desirable to ensure that the witness, or an independent medical practitioner can vouch for her being of full capacity in the event of any subsequent challenge.

Worthless soup tickets

A year or so ago I recollect the term soup tickets being used in connection with unit trusts and these tickets, I think, had a tax value. Will you please inform me what soup tickets are or were and whether they still operate?

"Soup tickets" became worthless upon the Royal Assent to the Finance Act 1972 (on July 27, 1972), under subsection 11 of section 112 of that Act. They were certificates of opportioned gains issued to unitholders and investment-trust shareholders et al., under section 67 of the Finance Act 1965 (re-enacted as section 357 of the Income and Corporation Taxes Act 1970).

Sovereigns and capital gains tax

Does the exemption of sterling from Capital Gains Tax apply to "new sovereigns," "King sovereigns," and "Queen sovereigns"? If so, do any qualifications apply? Does any such purchase attract VAT?

Sovereigns issued after 1837 are exempt from CGT (under section 19 (1) (b) of the Capital Gains Tax Act 1979). Transactions in sovereigns of any date may, however, be held to be adventures in the nature of trade, within the scope of income tax under case I of schedule D. Sovereigns (like Krugerrands) are exempt from VAT (under the parenthesis in note 2 to group 5 of schedule 5 to the Finance Act 1972, as amended).

Negotiations for wayleave

In 1971 I sold my house and lodge which had a septic tank for sewage, but retained the adjoining land, across which the effluent from the septic tank flowed, giving the new owners the right to continue to have their effluent run across my fields and ultimately disperse through agricultural drains. Is there any way in which I can release myself from the wayleave granted?

If the grant was effected as an easement in perpetuity (as seems most likely) you cannot procure its release unilaterally, but must negotiate with the dominant owner.

Tracing land ownership

Behind by bungalow, there is a large copse which consists mainly of elm trees. Over the years these often fall on my land, damaging my fence, Over the past 45 years I have never known the copse to be attended to and no one seems know the owner. Could you inform me as to whom I can apply to find the legal owner?

You can make a search in the Parcels Index Map at HM Land Registry. This will tell you whether or not the land is registered. If it is registered you may be able to effect contact with the proprietor, although this requires a careful approach via the Land Registry. If the land is not registered land there is no means of locating the owner. You could also examine your own title deeds to see if there is any clue to the identity of the owner: enquiry of your vendor's solicitors could yield some information.

A credit in a Scottish bank

The following is the material part of a letter received by my solicitor from a Scottish Bank (A).

"Our branch received a telephone advice of recall from the B Bank Ltd on August 22, concerning the payment of £39.61 from XY Ltd. Our branch have also advised that the B Bank Ltd letter of recall dated August 22 was received no later than August 23, but regrettably the letter of recall was not acted upon until August 24.

Accordingly, we feel that we had every right to debit your client's account with the sum of £39.61 and therefore we shall be obliged if you will request your client for his proposals for repayment of the amount presently outstanding, which at this date amounts to £13.53." Could you tell me if Bank A have acted unlawfully under Scottish law? Would any legal action emanating from Bank A have to pass through the Scottish and then the English courts?

You provide very little information to the background to this dispute. However, we have assumed that the sum of £39.61 was credited to your account sometime prior to August 24, 1979, and that such a credit entry appears on your bank statement. Thereafter, it appears that the Bank acting on a letter of recall debited your account with the same sum on August 24, 1979, and this also appears on your statement.

If that is correct you may well have grounds for resisting the Bank's present demand. In Scottish Law entries in a Bank Pass-book or Statement are prima facie evidence of the receipt of that amount of money by the Bank. If the Bank thereafter disputes the accuracy of the entry the onus of displacing the presumption of the accuracy is on the Bank. In this instance the Bank appear to dispute that the credit entry was properly made and from what you write it appears that they were entitled to make that entry at the maerial time. The debit entry is thus arguably incorrect.

As regards the jurisdiction the Bank would require to raise proceedings in England unless you have any funds or other assets in Scotland which could be arrested to establish jurisdiction in Scotland.

VAT case worth an appeal

I recently inquired about the VAT liability on the construction of a new roofed patio and was told: "The construction of a paved area and surrounding wall is liable to VAT at the standard rate as not constituting an alternation of the building unless done at the same time as the fixing of the roof to the building, in which case the whole job would be zero rated." From a study of HM Customs and Excise Notice, number 708, paragraph 8, it would appear that operations which form an integral part of a building are elegible for zero rating. My patio, even without a roof, is an extension to my domestic facility and firmly attachehd to the structure. Furthermore, if I had been constructing an entirely new house, there would appear to be no VAT levied on such items as yards, walls or patios. What please is your view of the position?

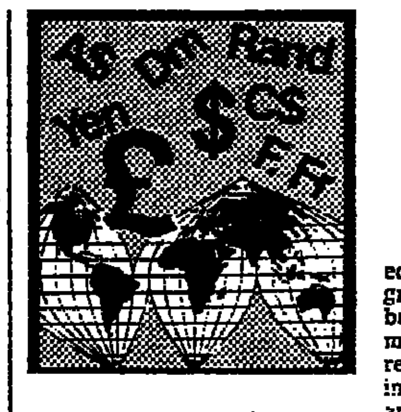
In order to have the work which you are proposing to do zero-rated, it has to come within the wording of Group 8 to Schedule 4 of the Finance Act, 1972. It can certainly be the case if the work is done in one way there will be a VAT liability while if done in another way, the work will be zero-rated. If a house is built including a roofed patio, the whole cost will be zero rated. If the work is done after the house is built, zero rating will be granted if the work constitutes an alteration of the house. Zero rating will not be granted if there is construction or alteration within the grounds or garden of a private home.

On balance we think that your work does not amount to an alteration of a building and therefore it will be, in our opinion, liable to VAT. You could take the point to the VAT Tribunal, and there is always the possibility that you might win.

Rateable value and a loft

In a reply under 'Rateable value and a loft' (March 29) we wrote that so long as the rateable value was not increased by more than £30 the improvement would not qualify for re-rating. This should have read gross value, in accordance with the figure specified by the Order made under Section 21 of the Local Government Act 1974.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.



Private investors and the pound around the world . . . reports by **Tim Dickson, John Makinson and Robert Cottrell**

A chance to sample pastures new

PRIVATE investors should turn their thoughts this weekend to the outlook for world stock markets. The pound's relentless climb to a five-year high—on Tuesday it touched $2.3705 before slipping back later in the week—provides what could be a golden opportunity which anyone with money to lock away should seriously consider.

Sterling's present value, according to just about every economic observer, has been grossly inflated by the contribution to our balance of payments of North Sea oil and more recently by the impact of high interest rates. UK interest rates are now much higher than those of most of our competitors and as a result the pressure on the pound has increased as foreign money has been sucked into London.

Sterling could well survive at these levels, so the argument goes, for the next month, three months or even three years; but there is a remarkable degree of unanimity that the current exchange rate cannot be sustained over the longer term.

In other words, yens and dollars bought today will be worth more in sterling terms in years to come—hence the opportunity to buy, on currency grounds at any rate.

A brief glance at the charts on this page (which are discussed in more detail below) show that sterling is riding high at a time when many world stock markets seem to be on a rising trend. In spite of setbacks earlier in the year the American, Australian, Canadian, South African industrial and Hong Kong markets have seen a steady upward movement in share prices recently.

Conditions vary from Australia, where the Sydney All Share Index shot up spectacularly earlier in the year, only to fall back as commodity prices came down, to South Africa, where the Industrial Index has been moving ahead consistently over the last three years.

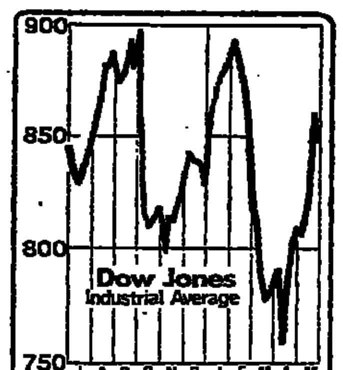
But while the factors influencing movements in overseas stock markets will obviously differ from country to country, the outlook for sterling affects all overseas investors. The argument that the pound will sooner or later fall from its present pedestal is based fundamentally on the UK's competitive position vis a vis our trading partners.

Our current account (i.e. our visible and invisible trade) has, like many of our competitors' current accounts, been running at a deficit.

This current account deficit, however, would be considerably worse but for the bonus of North Sea oil which has just about kept our heads above the water. The feeling is that the fashionable attraction of the pound sterling as a petro-currency must fade sooner or later and be replaced by a more sceptical assessment of the UK's economic performance.

On top of this fundamental factor commentators point out that the Government's tight monetary policy cannot last for ever and that when interest rates come down the upward pressure on sterling will ease as foreign money looks for high returns elsewhere.

Burnt fingers and optimism



INVESTORS in the last three to four years have consistently had their fingers burnt in Wall Street but optimism among stockbrokers and fund managers is never far from the surface.

After all, the argument goes, America is the world's most powerful economy, good blue blooded capitalism is relatively unbridled while the sheer weight of institutional money ready to move into equities will eventually light the touchpaper of a roaring bull market.

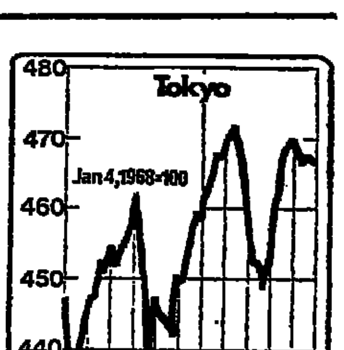
Investors unfortunately have been waiting for this for some time and more recently their wait has been made that much more uncomfortable by the disastrous slump in the dollar.

The last year on Wall Street, in fact, has been a typical case of expectations unfulfilled. At the end of July 1979 the Dow Jones Index was hovering around the 825 mark: it moved up in a reasonably straight line to about 900 in October before the now famous "Volcker package" sent it spiralling downwards to 805: from this base it took off again, gently running up to more than 900 by the middle of February, at which point further action by the Federal Reserve Bank sent the Index crashing down to a low of 759 at the end of March.

The recovery since then has been steady and impressive, with the rise gathering pace as U.S. interest rates have moved quickly down from their end March peak. The dilemma for U.S. investors was illustrated only on Thursday, however, when the recent euphoria gave way to pessimism about the depth and severity of the looming recession.

Mr Roger Palmer, of stockbrokers Grieveson Grant, believes that while there are "still some rough waters to be navigated, the recession will be V shaped—that is to say, it will happen quickly and suddenly but the economy will also bounce back sharply."

A twinkle in the East . . .



AS THE accompanying chart shows, the Tokyo stock market has moved up a little in the past year, but most of the credit for this is due to the strong performance of speculative energy and energy-related companies.

By contrast, the share prices of many leading companies have actually fallen over the period so that most foreign investors, caught by the major devaluation of the traditionally strong yen, have had an extremely unhappy time.

In the past couple of months greater interest has been shown in companies with big export earnings (perversely at a time when the yen was rising again) and blue chip stocks particularly in the pharmaceutical sector.

Much of the buying has come from overseas, with many of the shares coming from UK investment trusts which have been running down their Japanese portfolios recently.

The Tokyo market proved its resilience at the time of the unexpected election announcement — although the main Dow Jones Index initially fell sharply, it bounced back immediately — but for the moment attention is centred on the politically speculative stocks.

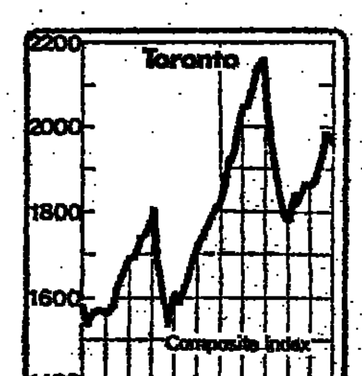
Most observers feel the election will not unduly influence the market. Recent corporate results have been better than expected, though there are fears that the effects of the recession may be worse than expected and that further recovery in the yen could diminish the attractions of exporting companies.

One feature of the Japanese stock market is the relatively high average price earnings ratio (currently about 21 times) and the average yield in the market (about 1.5 per cent).

These may give the market an expensive look by comparison with the UK but besides the high rating of the large number of growth stocks, accounting practices accentuate the difference while shareholders are mostly rewarded in the form of new shares, not increasing dividends.

Japan, like all other markets discussed on this page, is not a place to look for a high yield.

Straightening out the nose dive



THE TORONTO market has been staging a slow but solid recovery from the March shakeout which saw the composite index collapse from almost 2,200 to 1,700 in under a month. The index is now hovering around the 2,000 mark and brokers are cautiously forecasting that it may hold that level.

The nose-dive, which was reminiscent of a similar fall last autumn, demonstrated the fragility of a market based on the value of energy assets.

Canadians and foreigners alike piled into energy stocks, often barely glancing at their resource holdings, forcing prices to unrealistic levels. When the bubble burst, it did so in a spectacular manner.

Brokers believe the market has begun to behave in a more rational fashion. Toronto prices are following Wall Street more closely and foreign buyers who are returning gingerly to the market are concentrating on the major resource stocks rather than the small and speculative exploration companies.

Confidence in the resources sector has not been fully restored. The province of Alberta continues to argue with the Federal Government about taxation and Canada is finding it hard to export its abundant supplies of gas to the U.S. Sales are still declining.

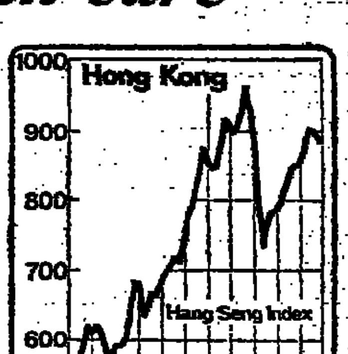
Significantly, it was not the energy companies which led the rally, but interest-rate sensitive stocks such as bank and property companies. Local buying has pulled up the whole market and foreigners are now returning to the energy sector.

Mr. John Barton, of Burns Fry, the Canadian brokers, reports that British institutions have stepped up their purchases, doubtless encouraged by the attractive sterling rate. Brokerage houses are also active suggesting that individuals have also bought into the rising market.

The market has received a recent fillip from the decisive "no" vote in the Quebec referendum on May 20. The initial reaction was not dramatic but since the referendum the composite index has risen by around six per cent.

Metals have done particularly well, with a 9 per cent rise, since several metal companies, including Alcan and Noranda Mines, have significant interests in the province.

Handle with care



THE Hong Kong stock markets are best approached with care. Moods of apparently boundless investor optimism can give way unexpectedly to fits of the financial jitters which send the Hang Seng index slithering ominously downwards.

Markets in particular shares can be thin, while the local investing community is conspicuously nimble-witted.

The Hang Seng charted one of the world's biggest bull markets of 1979. It closed 78 per cent up on the calendar year, equalled only by Oslo. But when the Year of the Goat drew to a close in February 1980, the index marked the occasion with a spectacular plummet from a 963 high well down into the seven hundreds, whence it has moved back upwards.

An important factor in the market movements is real estate. More than half the quoted companies have substantial property interests, and last year's 95 per cent rise in land values fuelled the market bullishness.

Fears that the government would move decisively to control property speculation were a major factor in the February bear market. But when the administration's plans proved relatively modest, investors began to regain their spirits.

Foreign investors are well-advised to stick to substantial companies with readily-comprehensible commercial interests. Utilities, for instance, are well placed to show long-term strength from any expansion in the colony's economic growth.

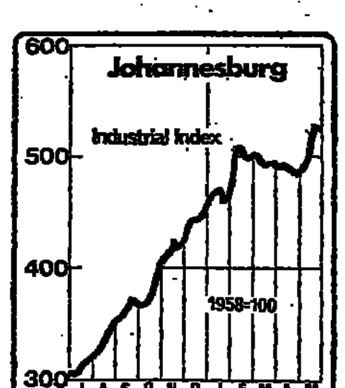
The traditional traders such as Jardine Matheson also have solid virtues. Jardine showed relatively modest growth in 1979, but 1980 is likely to be a good year with strength coming from firm world sugar prices.

The traditionally foreign-controlled traders are also subject to periodic bouts of share price excitement when local investors are thought to be betting on the acquisition of a controlling interest.

A structural change is set to overtake the Hong Kong stock markets over the next three years. The four existing exchanges are to be consolidated into a single unit, with the brokers' ranks probably thinned of their less active members.

The move, which has been introduced by the government after three years' negotiation with the reluctant exchanges, could also see the introduction of more rigorous scrutiny of trading.

Clouds mar the sunshine



THE death of two black schoolchildren, shot dead by police earlier this week, provides a tragic reminder of the political shadow which hangs over investment in South Africa.

In spite of these uncertainties the South African stock market has been an exceptionally good and steady performer over the last two to three years. Underpinning this recently, of course, has been the soaring gold price which has created the liquidity to boost earnings and fuel share prices. Interest rates are low, particularly in real terms with long term Government bonds yielding just under 10 per cent, against an inflation rate of about 14 per cent. The recent budget, moreover, maintained the level of public spending in real terms while lowering company and private taxes significantly.

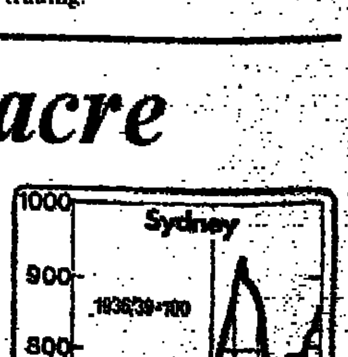
In spite of this seemingly rosy economic picture, there are a number of problems for investors. For example, while South Africa is likely to be one of the world's few markets to show substantial growth in the next few years, short term interest rates are likely to move higher. The background of a long bull market is also making investors wonder if the party is going to last.

Brokers Laing and Cruickshank believe the Johannesburg Industrial could fall as far as 400 "but any such setback should provide a useful buying opportunity." They add, "the attractive sectors for international investors are retailing, those companies benefiting from higher capital spending in infrastructure and mines and those chemical companies with coal based feedstocks."

International investors also have to cope with the vagaries of the financial rand in South Africa. This trades at a discount to the commercial rand (currently about 25 per cent) and is designed to prevent South African capital leaving the country. The financial rand is a bit like the investment dollar premium in reverse—instead of paying over the odds for a share or bond, investors effectively buy at a discount. This boosts the effective yield for the foreign investor though this advantage can be offset by the inevitable fluctuations of the financial rand, particularly in the wake of political developments.

Among individual stocks Barlow Rand, which has just produced some spectacular interim figures, is at the cornerstone of most industrial portfolios.

After the St. Valentine's Day massacre



AUSTRALIA is a market where this year investors have needed a steady nerve. Having broken its previous all-time high of around 665 last September, the Sydney All Ordinary Index continued, almost uninterrupted and latterly at breakneck speed, to a new peak of 947.7 on February 13 this year. Appropriately enough, as St. Valentine's Day dawned, the massacre began and the market moved sharply into reverse, a reaction which coincided more or less exactly with the dramatic drop in commodity prices. Since the market touched the bottom at about 780 at the end of March, however, things have picked up and most analysts feel that progress will now be less erratic.

Overseas investors have almost exclusively been concerned with Australian energy and energy related stocks—primarily those cashing in or aiming to cash in on the riches of gas, oil, uranium and coal. Generally speaking industrial stocks have been cold shouldered, though with an estimated A$40bn likely to be spent on the exploitation for minerals in the next 10 years, many seem certain to benefit from the spin off.

As one broker put it, "The distances in Australia are so great that exploration projects invariably need the support of an expensive infrastructure. Whole towns have to be built plus the services to go with them."

The long term outlook for the Australian dollar also looks good in the light of recent Australian Government figures projecting the level of net energy exports (exports less imports) in 10 years time. In 1977 these amounted to 23m tons of oil equivalent but by 1990 the annual total is expected to amount to 290m tons of oil equivalent.

Analysts are perhaps a little more cautious about the immediate future, given the impending budget in mid August and the election which is likely to be held in December. The Government, aware of its support from the conservative Country Party, whose voters are mainly farmers dependent on exports, is not likely to let the currency significantly appreciate in the months ahead.

One of the most significant consequences of the recent bull market has been the widespread interest created among international investors in Australia. The result is that rather than being overlooked by all but its devoted fans, many people will now have their eyes on future developments in that part of the world.

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YOUR SAVINGS AND INVESTMENTS—2

Eric Short discusses the row over life insurance commission

The overiding problem

FOR MANY years life insurance brokers have been nursing a deep-seated grievance against life companies. The brokers, and their representative body the British Insurance Brokers Association (BIBA), have been complaining for some time that the fixed rate of commission which companies attached to the Life Offices Association (LOA) and its Scottish equivalent are required to pay is simply not enough.

Such remuneration, they argue, is not sufficient to provide a full insurance advisory service to the public. At the same time, the brokers say, life companies pay similar rates of commission to part time intermediaries such as solicitors and accountants and are able to pay what they like to their own direct sales staff.

What is particularly galling about this is that business coming through brokers, as many companies readily admit, is by far the cheapest way of selling life assurance.

Signs that the row is coming to a head were seen last month at the British Insurance Brokers Association annual conference and subsequently with the announcement by Crown Life this week that it is leaving the LOA because of the rigid commission structure.

Mr. John McKirdy chairman of the Life Committee of BIBA stated emphatically at the conference that life brokers are subsidising direct sales. Ironically, however brokers are losing out to direct salesmen is the market in spite of these cost considerations.

The solution, as far as brokers are concerned, is to introduce a series of differential commissions which would pay more to some brokers than to others to reflect the services provided. Alternatively if the life companies wish to keep their commissions bill unchanged they will have to pay less to the part-time agent than at present.

The reply of the strong conservative rump of the LOA/ASLO was given last week by Scottish Provident's marketing executive Mr. Peter Bullough. In a seminar held by his company in London he told brokers to "stop moaning and get their jackets off." He claimed that all too many brokers miss sales opportunity after sales opportunity simply because they did not have the necessary professionalism, the sales expertise or "the guts to get up and chase business."

The message came through that there is no chance of the Scottish Provident operating a differential commission system. This would appear to be the consensus opinion of the conventional life companies that make up the majority of membership of the LOA/ASLO.

The BIBA life committee admits to having made no headway at all in its efforts to get the life companies to even look afresh at the commissions structure.

THE PRESENT commission scales came into operation in the autumn of 1976, after a hectic bargaining period. On individual life contracts, the commission scale for regular premium plans is 2½ per cent of the first year's premium for each policy year up to a maximum of 60 per cent. For whole life contracts, the rate is 90 per cent, paid over two years. On single premium assurances, the commission is 3½ per cent of the premium. The previous commission agreement had operated since the war and the impression from the life companies is that it will be a couple of decades before they consider the next agreement.

The new life companies however, have a rather different attitude to this problem. Because they are new, they need the support of the brokers to grow—long established conventional life companies can live on their fat for years. As a result it appears that these new companies are much more sympathic to the brokers' cause.

Most of these life companies have not joined the LOA primarily because they do not want to be bound by a rigid commission structure. Their argument is that commission is only one important element in the overall expense of selling a life policy. They want to reward brokers, on an individual basis, for the work done in procuring business. This is precisely why Crown Life has decided to opt out of the association.

Crown Life completely reorganised itself two years ago and found that operating the rigid official commission system held back its growth. Having failed to operate within the system, it decided reluctantly to go its own way.

The company wanted to reward brokers who produced a high volume of business by paying additional commission—technically known as "overriding commission." The LOA, however, has steadfastly set its face against such payments.

The reasons behind Crown Life's decision to leave the LOA could point the way to a possible compromise solution to the dispute between brokers and life companies. If both sides could agree on a system of "overriding" payments, then the broker could receive the higher remuneration which he is looking for, without the life companies incurring higher overall unit expenses.

At the same time such a system by holding unit costs incurred by the companies would ensure that the public would be paying more in premiuims simply to satisfy the ambitions of brokers.

Mr. Alan Duggin, Crown's chief executive, said the cost of the extra commission payments would be absorbed by increased productivity and he was not increasing his premium rates or charges. The incentive was being given for brokers to get their jackets off.

Certainly BIBA could be thinking of a solution on these lines. It welcomed the action taken by Crown Life in that it recognised the important role of brokers in marketing life assurance and rewarded them for the work done.

And Crown showed that brokers could be paid higher commissions without the extra cost being passed on to the consumer. The implication is that if Crown Life can adequately remunerate brokers, then so can other life companies.

The LOA's opposition to the payment of "overriding" has been based on the encouragement it would give to place more business with fewer brokers simply to get the extra commission, thereby reducing their independence. This may have been the case previously when brokers operated with complete freedom, but it does not apply now.

Under the registration procedures, brokers have to abide by a code of conduct and their independence is now policed by the Registration Council. The code requires brokers to be objective in their dealings with life companies and the council has the right to inquire into the sources of business placed by brokers. Under registration, a broker cannot place all his business with one company simply to maximise overriding.

But there is one disturbing feature in this internecine warfare. Where does the consumer stand? For he pays the commission.

The price of youth at the steering wheel

INSURANCE

JOHN PHILIP

THE NEWLY licensed 17-year-old faces considerable insurance expenses in getting a car on the road. It is a nasty shock to a parent with a good driving and insurance record who may be paying between £75 and £80 for a year's cover.

The mature experineced private motorist, with full no claims bonus, may well be paying less than this even for "comprehensive" cover, if he voluntarily accepts a few small restrictions, such as a £25 or £50 damage excess, and has driving limited to himself and his wife. It is still possible to buy really restricted cover — say a third party only policy for well under £50 a year.

The new teenage driver starts from scratch. He is not only inexperienced, because of his youth. He has yet to learn the caution that mature years will bring, so he starts by paying premium not just at 100 per cent of insurers' book rates for drivers with no earned no claims bonus but at such rates plus a substantial loading and often sizeable restrictions in cover on account of his youth and inexperience.

So the new teenage driver seeking maximum "comprehensive" cover will find that insurers on a modest family saloon—say a Ford Escort—will probably impose at least a £50 damage excess, restrict cover to named drivers with proved records, and in the Home Counties will probably want a £400 premium for the first year.

The bigger the car—and many youngsters go for the bigger car, largely because it is cheaper to buy second hand—the higher the premium. Notional starting premiums in the range of £500-£600 can be quickly calculated from most insurers' rating tables.

I say notional starting premiums, because at this level maximum obtainable "comprehensive" cover is not a financial proposition except for the rich teenager, or parent. A start has to be made somewhere else, and that start may well be with a third party, fire and theft policy.

Most insurers reckon to charge about 50 per cent of their comprehensive premiums for third party, fire and theft cover—and this predicates a starting premium of £200 or so for our Home Counties teenager with an Escort.

If he finds this still too high, he can abandon the idea of fire and theft cover and buy liability cover by itself, which will effect a further saving of around 10 per cent.

But here he has got to the unreducible premium minimum, and he must reckon also on bearing many charges out of his own pocket, all costs of repairing accidental, fire or theft damage to his car, insofar as he cannot on legal liability grounds recover those costs from anyone else.

Even for the mature, competent, experienced motorist with a good record, such minimum cover is seldom a good investment. This must be equally true for the young driver, who is well advised to spend money on cover, rather than to reckon on avoiding the accidents that many young drivers suffer in early years.

It is the teenager who pays insurers heavily for his inexperience: if he waits till he he is 21. Then he gets his own car and starts insuring on his own account and will find insurers' premiums are around 75 per cent of what he would have paid four year's earlier, and the excesses and restrictions less stringent.

Moreover, if he can show some real experience, say, in driving his parents' car, his parents' insurers may be prepared to give him a "starter" discount, saving him perhaps as much as a third of their book rates.

But much may depend on the parents' choice of insurers—an aspect on which the young driver can bring little influence to bear, until most likely it is too late.

Many a parent aiming to save his son or daughter money, may think of the device of insuring the car in his own name, under his own policy, as a second car. Not surprisingly, insurers are alert to such attempts, and more and more ask detailed questions about second cars — who will drive, how often, and so on. In the light of accurate truthful answers they will probably wind up charging the same premium for a second car as they would for a separate insurance in the young driver's name.

Less accurate, less truthful answers can only store up trouble, for the parent and his child: for truth will out particularly when accidents occur and claims arise. Both may find themselves deprived of cover at the time they most need it.

It is often shortsighted for the young driver to start building up a record under his parents' policy, for the no claims bonus earned in respect of the car insured in father's name will not necessarily be transferred fully to son or daughter when setting out on his own insurance path. Better to start establishing one's own record as soon as possible, even though the initial cost may be high.

Societies search for stable money

BUILDING SOCIETIES, it seems, do not like savers who switch money in and out of their accounts. Few of them will tell you this directly, of course, but two developments this week emphasise that societies' current search for more funds is also a search for more stable liabilities.

On Thursday, for example, the Provincial, ninth largest building society in the country, launched a new type of savings vehicle, the Special Share Account. The new account, whose minimum subscription is £500, offers the tantalising combination of instant access and a higher rate of interest (currently 11.5 per cent, or one per cent more than the recommended rate on paid up shares). One month's interest is lost on the amount withdrawn. The idea behind the scheme is to attract funds from people who normally keep money on demand either to meet unexpected expenses or to keep their future investment options open but who in practice end up leaving it intact for a few months or a few years.

Provincial feels this is a need which others have yet to identify

More controversially, it emerged last week that another society, the Bradford and Bingley—the 11th largest in the country with assets of around £12bn—has decided to meet the problem of small fluctuating balances by penalising those savers who operate their deposits like current accounts.

Bradford and Bingley has already told about 1,500 of its depositors that they will have to accept a much lower rate of interest—currently 7 per cent, against 10.5 per cent net on paid up shares—or close their accounts.

The society blames the high administrative expenses incurred in processing a number of small transactions. It emphasises, however, that there are no general rules and that only holders of small accounts who make a large number of transactions and fail to increase their overall balance will have to settle for the lower rate.

Finally, a comment about that new Provincial account. The society produly claims that it is setting the pace in meeting the needs of a certain type of saver. As Mr. Brian Holmes, chief general manager, proclaims: "We predict that it will soon be adopted by other societies and become a standard part of the industry's product range."

This appears to ignore the fact that the idea is not entirely new. Earlier this year another building society — again the Bradford and Bingley — introduced an Extra Interest Account.

The minimum subscription is £500, interest paid is 11.25 per cent (0.75 per cent more than the paid-up rate) and withdrawals can be made at one month's notice when a loss of up to 28 days' interest is suffered on the amount withdrawn.

Bradford and Bingley, in fact, claims that it can give savers a better total return than Provincial because its rate is compounded twice annually. Provincial's interest is only compounded once a year.

The two schemes are not exactly the same but they appear to be based on the same principle.

GOLF

Searches for new strokes

BY BEN WRIGHT

Nancy Lopez-Melton: swing has become far too flat.

David Graham: the most underestimated player.

WHILE HIS business partner David Graham was showing yet again his fantastic ability to produce critical shots and putts under immense pressure to win the Memorial Tournament last weekend, host Jack Nicklaus was re-evaluating his schedule with more than a hint of desperation.

And while, despite his defeat in a thrilling finish at the final hole, defending champion Tom Watson's aura of invincibility as the U.S. Open Championship approaches was only enhanced, Nancy Lopez-Melton, whose domination of women's professional golf has been similarly complete last season, headed for suburban New York desperately searching for the swing that had enabled her to achieve this dominance in the hope of ending a fearful slump.

How unpredictable are the Southern spins of the fickle wheel of fortune. Nicklaus, who had taken to reading a book of instruction penned by the veteran professional Paul Runyan at the advanced age of 40 in an effort to improve his chipping and pitching, had proved his desperation by so doing. In my opinion golfers of renown who have gleaned any of their knowledge from the libraries of instructional material available are either certifiably lucky, or very rare.

Golfers of Nicklaus's ability are certainly very rare, and one mourns their passing sometimes quickly into oblivion. So when Jack announced that he would change his time-honoured routine of skipping the tournament before a major championship to practise at the championship venue, and filed his entry for next week's Atlanta Classic, I was personally delighted. It is, and has been apparent to everone but himself, that it is only by competing regularly that Nicklaus can hope to regroup for one final fling in a major championship. Since he set the U.S. Open aggregate scoring record of 275 at Baltusrol in 1967 the fact that the championship returns there for a record sixth time the week after the Atlanta event is obviously significant, if not ominous to Nicklaus.

His level par score of 288 in the Memorial Tournament over the Muirfield Village course that he designed and which many of his rivals, including business partner Graham, believe to be the toughest in the world, gave Nicklaus a tie for 20th place. To a man who had won the event in 1977 with a score seven strokes lower this might appear to be bitterly disappointing. But the fact was that Nicklaus, who has become in Chi Chi Rodriguez's words "a legend in his spare time," did so by virtue of his uncanny putting which helped him to win most of his major titles despite his inability with short irons.

It is this once magical touch that deserted him so completely last week when the least number of putts he took in a single round was 35. My own conviction is that the remedy could be that Nicklaus simply requires spectacles, or if vanity precludes them, at least contect lenses. But Jack, whose stubborness is becoming as formidable as was his competitive ability, is unlikely to listen to me, let alone those closer to him who share my opinion.

Graham is plainly the most underrated competitor in world golf. The wiry Australian came from nowhere to catch and pass Watson, to whom he trailed by two strokes with four holes to play. Earlier the accurate but winless Mike Reid (third at 282), had dropped a stroke to par at the final hole when in a position to set a formidable target. Tom Weiskopf (tied for fourth at 283), then enjoyed an even better chance. But he tangled with bunkers at each of the last two holes once more to give the impression that he is one of the game's truly tragic figures.

Because no one imagined Watson could be beaten in such a situation Graham's splendid eagle three at the 490 yards 15th hole from 20 feet was largely overlooked, since Watson himself made his virtually inevitable birdie to remain one stroke ahead. But whereas Graham was able to get down with two putts from some 20 yards, from the back of the 17th green, Watson charged his putt from a slightly shorter distance from the front, and missed the tricky one back from some four and a half feet.

Graham's downhill birdie putt of some 35 ft at the final hole was as brilliant as it was unexpected. But perhaps we should have known better after the staggering putts Graham was able to call upon to win last year's U.S. PGA championship play-off from Ben Crenshaw. Watson's bitter disappointment at failing to win the event for his guide and mentor Byron Nelson, to whom the tournament was dedicated, was softened a little by the realisation that he is coming into the U.S. Open he craves in just about as commanding a vein of form as has ever been seen.

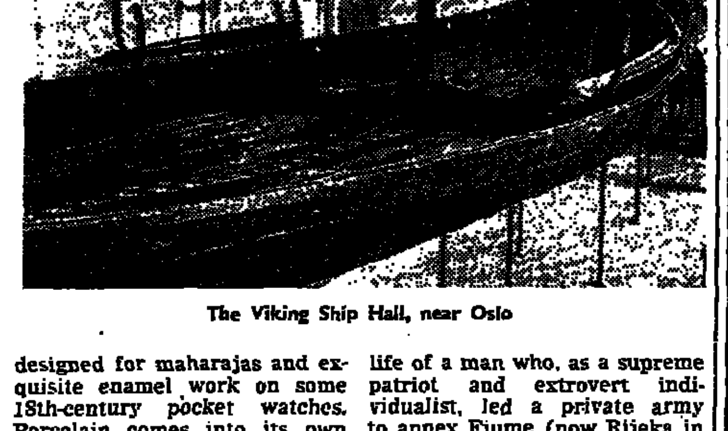
Watson is currently almost $150,000 ahead of his nearest rival Lee Trevino in the money list—leading by $346,125 to $196,981.

Meanwhile Nancy Lopez-Melton has discovered that her controversial swing with its quick wrist break on the back swing that cynical critics said would guarantee her a short career, has become far too flat. She has summoned her father to New York to oversee her attempt to defend successfully the Golden Lights Classic at Wykagyl. Lopez-Melton summed up the essential difference between the men's and women's tours earlier in the week when she told me that none of her rivals had volunteered help when she slumped recently, taking as many as 83 shots in a single round. On the men's tour she would have been overwhelmed with advice, most of it superfluous.

TRAVEL

Special interest museums

BY PAUL MARTIN



The Viking Ship Hall, near Oslo

WE HAVE recently seen the creation and development of an ever-increasing number of specialist museums in Britain—I have already written about some covering such diverse subjects as the history of smoking, old fairground organs, heavy horses and the like — and the pattern has been repeated in Europe.

If you have a specific and even off-beat interest, I am pretty sure that you will find it represented somewhere.

In some cases I had been vaguely aware of the museums' existence for a long time and went out of my way to visit them. Others were accidental and often fascinating discoveries.

This year it is almost impossible to be unaware of the Vikings so let us start this little round tour in Norway, on the peninsula of Bygdoynes, easily reached either by road or by ferry from the Oslo Town Hall.

Those old Viking chiefs were buried with considerable pomp, surrounded by the accoutrements which had served them throughout their journeys of exploration in those long, slender and supremely graceful craft which, with a shallow draft, could be pulled ashore on the beach. Three of them, marvellously preserved, have found a permanent resting place in the Viking Ship Hall on Bygdoy.

Lovers of sea and ships will find another bonus as you can trace the history of a great maritime nation in another museum close by. Here, too, commemorating the story of Norwegian exploration, are the Fram, used by Amundsen and Nansen, as well as Thor Heyerdahl's frail and fragile looking Kon-Tiki and his later RA II.

The Swiss have become synonomous with virtually every innovation in the history of clocks and watches. It is therefore hardly surprising that Geneva should have a splendid collection beautifully housed and displayed in the Musée de l'Horlogerie.

There are extravagant follies designed for maharajas and exquisite enamel work on some 18th-century pocket watches. Porcelain comes into its own along with examples of early "singing bird" timepieces.

There's also a lovely travelling clock which chimes both the quarters and the hours designed for carriage use along with some of the loveliest and most ornate musical boxes ever produced.

Belgium has the only hunting museum I've ever seen. It is housed in a medieval fortress at Lavaux St. Anne not far from the famous grottos at Han-sur-Lesse and, after crossing an attractive honour court added later, you move into a freakish, fantasy world where intertwined antlers galore engirdle and embellish every stick of furniture and even the mirrors on the walls. Every item of hunting impedimenta is represented and there's a singularly nasty and repulsive looking stuffed wild boar!

I infinitely prefer the upstairs rooms devoted to ecology and conservation with an imaginative display of the birds and animals found in the surrounding forests of the Ardennes.

Another "different" museum is found in Italy, along the wooded shores of Lake Garda. At the Vittoriale at Gardone Riviera, the Italians have created a national shrine dedicated to the fallen of World War I at the home and last resting place of the soldier-poet Gabriele d'Annunzio, who donated his original Villa Cargnacco to the Italian people in 1923. It is on a huge scale with a monument to the fallen, an open-air theatre and a war museum.

The place is also full of reminders of the extraordinary life of a man who, as a supreme patriot and extrovert individualist, led a private army to annex Fiume (now Rijeka in Yugoslavia) in 1919. Later, when the cruiser Puglia was to be laid up, the bow and forestructure were re-erected in the extensive grounds facing out to the blue waters of Lake Garda.

Some of the most impressive museums share a quality of simplicity in design. That is the underlying theme in the one at Arromanches in Normandy which so vividly recreates the events of June 6, 1944.

If you drive down along the coast road from Le Havre, do climb up the step incline near the D-Day memorial to the point where a battle map, etched in stone, lists the allied units which landed on the beaches Sword, Juno and Gold and, bloodiest of all, Omaha and Utah in the American sector. Out at sea you can still see the remains of the great floating Mulberry Harbour.

I first visited the Musée du Débarquement with some young friends born long after the events of that day. They found it as impressive as I did as we looked at the tiny figures swarming over a relief reconstruction of one of the landing beaches and a scale model of Mulberry moving up and down with the simulated tides.

This is very much a personal selection. There are countless other museums covering wine, opera, railways, motor cars, aviation, silk and the lacemakers' craft.

Even in Europe the sun doesn't shine all the time, and wherever you are, you should be able to find somewhere just that little bit different to while away a wet afternoon.

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PROPERTY

Swapping in Blackheath

BY JUNE FIELD

WE ARE reminded of the pleasures of Blackheath in Tony Aldous's carefully-researched and evocative Illustrated London News Book of London Villages (Secker and Warburg, £11.95). In this 270 acres, six miles from the City, he says, there are "orderly streets of charming and now much sought-after Victorian villas and terraces marching down steep slopes into Lee or Greenwich, vistas, statues and eccentric architectural setpieces."

The label Blackheath is often applied to a number of adjacent, but different residential areas. Highgate-born Mr. Aldous now lives in Lewisham, *SE13 (in the Blackheath conservation area)*, directly overlooking "the great green billiard table of the heath." Many estate agents promote their wares around Blackheath, Catford, East Dulwich, Forest Hill and Sydenham.

The well-known Span flats and houses, originally sold in 1954 at around £2,250, are now on offer between £32,000 and *£36,000, while four-storey semi-*detached 4-bedroom period houses in the conservation area of Dacre Park on Blackheath borders, make about £65,000, with a similar vintage 9-bedroom terrace house, suitable for conversion into flats, recently on offer in Lee Terrace at about £85,000.

"Over the past few months the supply of property has been increasing tremendously," estate agent Mr. John Payne says. "But although the demand is there, it has not yet got to the stage of a sellers' market, with would-be purchasers, especially in the upper-price range, all too well aware that if they have available funds they can call the tune."

Contact Mr. Payne at 7 Hare and Billet Road, Blackheath, SE3 (01-852 1716), for property details, which includes a couple of converted coach houses just off the heath, £59,950 and £65,000, small 1-bedroom conversion apartments at £22,000, 2-bedroom at £25,000.

Barratt Developments (London), who recently launched Papillons, along Blackheath Park, in which 23 houses are being built, is sellings houses and plots as fast as they are released. The price-bracket for the exceedingly, well-finished and spacious but uncompromisingly contemporary-styled 4-5 bedroom, 2-3 bedroom detached houses are in the £100,000 to £144,000 region, and the majority of the buyers are buying on the company's general exchange scheme.

It is a sort of swap-shop idea where, subject to certain conditions, if you buy a Barratt house (in any of their developments), the company will buy yours and put the money towards the new one.

This means avoiding the *traumas* of "chain" transactions, and a saving of agent's commission, as well as some stamp duty. You need only pay duty on the difference in price between the place you are selling, and the price of the house you are buying, because both deals go on one contract called a deed of exchange.

Barratt is pretty selective about what it will take on, and employs an independent local surveyor to carry out a structural survey and valuation, which the company pays for, so you are not out of pocket if turned down.

In principle, the rules are that you place should have been built after 1920, although an exception might be made in the case of particularly interesting old cottages.

Although "down - trades" could be considered, in general it is a trading-up operation, so the company's maximum offer does not usually exceed 80 per cent of the price of the new house. (A local estate agent, of course, gets the job of reselling your home.)

"We do try to be flexible though," admits Mr. Tim Hamilton, sales director, who suggests that anyone who wants to know more should contact him at Barratt Developments (London), 30 Stafford Road, Wallington, Surrey (01-647 0826), for a leaflet on the scheme, plus advice on how to raise the balance of the money, and a brochure on Papillons, where there is a showhouse open every day 11 am-6 pm.

Basically, Mr. Hamilton explains, this is how the exchange idea works for his area: "We obtain a valuation on the purchaser's existing property, and then offer to that purchaser a cash figure based on the valuation, minus an allocation towards the costs involved in operating the transaction. This is normally around 5 per cent of the valuation.

"Once the figure is accepted, we exchange contracts to buy our purchaser's property on the same contract where he agrees to purchase the new Barratt property.

"Once the client's new property is completed, he moves into the new house, and Barratt legally completes the purchase of his property. An important point to remember is that once the part-exchange offer is accepted by Barratt, we agree with the owners to place their property on the open market on our behalf, so that we may have the best opportunity of finding a willing and able buyer for their property while they are in occupation. It is always easier to sell a property when it is warm, well-lit and furnished."

Another method is the option home exchange, where Barratt agrees a figures with purchasers for their existing property, and the figure is placed in the contract. However, they have the option to find a buyer for their property at whatever price they wish until the time when their new house reaches the stage of being roofed.

At this stage, Barratt has the right to be able to take over the sale of the purchasers' existing property which should give an opportunity of finding a willing and able buyer for that property for at least a period of eight weeks.

"We tend to operate this scheme mainly when someone decides to buy something from us when it is at the stage of foundations, yet wishes to sign and exchange contracts within six weeks, thus fixing the price of the new house.

"The beauty of the scheme in this case is that a buyer is capable of signing the new contract and having the opportunity of being able to obtain the maximum price possible for his own house, yet always knowing that there is the company's cash offer in the contract ready to fall back on if necessary.

Above: Contemporary-styled detached 4 or 5-bedroom, 2 and 3-bathroom houses being built by Barratt at Papillons, Blackheath Park, London SE3, are in the £100,000 to £144,000 range. There is gas central heating, double-glazing, high insulation, bidets in en-suite bathrooms, TV and telephone sockets, and subject to certain conditions the houses can be bought on a part-exchange scheme by selling the company your own house. Details Tim Hamilton, sales director, Barratt Developments (London), 30 Stafford Road, Wallington, Surrey (01-647 0836), or the showhouse at Blackheath, open 7 days a week, 11-6.

Above: Idyllically situated 4-bedroom, 4-bathroom house in Millfield Lane, overlooks Highgate Ponds, Kenwood and Parliament Hill Fields. Ducks fly in from the ponds to the extremely pretty and secluded rhododendron-filled gardens which can be floodlit at night. The £¾ million package includes separate guest accommodation, chauffeur's quarters, 36-foot conservatory, games room, electric greenhouse, and pear, peach and nectarine trees. Brochure Daniel Lachs, Charles Price and Co., 1 Berkeley Square, London W1 (01-493 2222).

Elegant Georgian house, listed Grade II, in Croom Hill, on the *western side of the Royal Park of* Greenwich, has two main living-rooms, each with a wig cupboard, five bedrooms, two bathrooms and a wine cellar. Extensively modernised, it also has a large secluded garden, and Knight Frank & Rutley, 152, Sloane Street, London, SW1 (01-730 8771), are asking in excess of £100,000.

MOTORING

Cruise control danger

BY STUART MARSHALL

CRUISE CONTROL systems, once confined to the upper crust of European cars but widely used much further down market in the U.S., are proliferating over here.

Already, they are extra-cost options on medium-price executive-type cars from European and Japanese manufacturers. There is every indication they will soon spread further downwards into modestly-priced family cars.

Often, they will be part of a micro-processor system that provides a digital read-out of average speed and fuel consumption on a journey as well as cruise control. The new Talbot Solara SX, for example, is so equipped.

The device originated in America. The roads there are endless and attitudes toward motoring are different from over here. American motorists (and who can blame them?) like their personal transportation to be as effortless as possible.

Cruise control relieves them of the need to maintain a certain speed, or even to monitor it, over long distances. It is one more step in a progression that began with automatic transmission and power steering and now encompasses radar detectors, CB radio and self-wrapping seat belts.

But is cruise control safe?

Will its increasing popularity here lead to more accidents, brought about simply because the driver has so little to do that his or her attention will wander? This type of accident is all too common in the U.S. where the combination of a 55 mph speed limit and long, undemanding roads can exercise an almost hypnotic effect on the driver.

I heard this week from a reader who had a severe accident in a Rolls-Royce and thinks cruise control may at least have been partly to blame.

Mr. P. F. Scott of Kendal, was driving with cruise control locked-in on a dual carriageway in the West Country. He knew the road well. "Although I was aware of being a little drowsy, I had only a short distance to go and did not take the sensible precaution of switching off cruise control. The next moment I was riding along the crash barrier at 70 mph."

The Rolls-Royce suffered £16,000 worth of damage but he gives it credit for saving him from severe injury, even death. "But I really do believe that the accident might well not have occurred if I had had the sense to switch off cruise control," he wrote.

He asked Rolls-Royce if they had thought it advisable to caution owners not to use it if they ever felt less than 100 per cent alert.

The short answer was that they hadn't. "The question of a formal warning . . . is a subject we have to consider most carefully since we must not give the impression that we condone driving in these circumstances," Rolls-Royce said.

"Although any responsible owner can find himself in similar circumstances, the only advice we can responsibly recommend is that the car is parked until the drowsiness passes."

Which, as Mr. Scott himself recognises, is probably fair enough. Thiugh he goes on to make a relevant point.

"Under cruise control," he told me, "the eyes and the hands are only involved in steering the car. Without it, the eyes have to change focus from the road to the speedometer and one's right foot is varying the pressure on the accelerator."

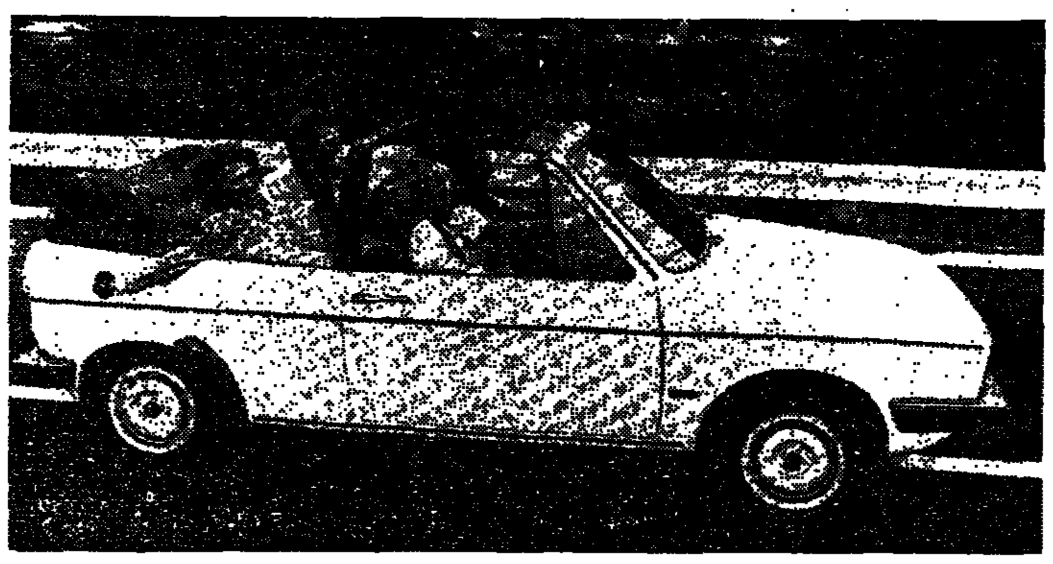
Having used cruise control for many thousands of miles, he is firmly convinced of its advantages. Nevertheless, as a result of his accident he will never make use of it again. "One does not consciously duel with death a second time . . . and on another occasion, others might be involved in a tragic accident."

I confess to a feeling of a fractional loss of control every time I flip on cruise control when testing a car so fitted. Some are better than others, in that they maintain the set speed without so much as a change in engine note, uphill and down dale. Others "hunt" around a little. But I am not really sold on the system, though a trip right across the States might make me feel otherwise.

Have any readers had a similar experience to Mr. Scott's? Are the theoretical objections to cruise control borne out in practice? Is it really necessary or desirable in Britain?

I shall be glad to air your views.

Footnote: Mr. Scott expressed delight at my recent "wholehearted commendation of compulsory wearing of seat belts." Not all my correspondents felt the same. "I regret that the insurance industry (in which Mr. Scott holds a senior position) does not posses a more vigorous spokesman carrying greater weight and that insurance companies did not enter more fully into the debate," he said.



It has not really been soft top weather this week, but the Volkswagen Golf GTi Convertible has coped nicely with the chilly days as well as the sunny spells. Unlike the TR7 convertible which impressed me so favourably (this column, May 24) the Golf is a four-seater. Volkswagen set themselves a much more difficult task in turning a family hatchback into a convertible.

The loss of rigidity when the steel roof comes off is that much greater than in a two seater. Naturally, the body has been extensively reinforced with beams under the fascia and behind the rear seats and with a massive roll arch. Even so, the Golf convertible is not entirely free from scuttle shake, though it doesn't reach a disagreeable level.

The hood is a work of art. It is lined, padded, has a heated rear window and you could mistake the Golf for a saloon when the hood is up. Gas struts ease the raising and lowering. It does not disappear from sight when lowered, as the TR7's does, but folds on to the rear deck in the manner of a pram hood. Rear visibility is considerably restricted as a result.

You see little in the rear view mirror except the hood, though there are twin door mirrors, adjustable from inside the car.

If VW could find a way of allowing the centre mirror to be swung up above the screen rail when the hood is down, it would go a long way toward solving the problem.

It is a delightful car to drive, firmly suspended, agile on corners and with an engine that thrives on hard work. The five-speed gearbox has sportingly close ratios (fifth gives barely 20 mph per 1,000 rpm) and a silky shift. Top speed is over 110 mph and acceleration is vigorous.

With the hood down and side windows wound up, the Golf is not too draughty at a motorway 70 mph, at any rate in the front seats. Rear seat accommodation is restricted and the boot certainly wouldn't cope with a family's holiday luggage. Not that it is a family car, really. With its £6,852 price tag it is much more likely to share a garage with a Mercedes 450, 7-series BMW or something similar. VW reckon to sell 1,000 here this year.

RACING

DOMINIC WIGAN

GROUND CONDITIONS far firmer than most trainers would like has resulted in small fields across the country today. Only four runners go to post for Kempton's £4,000 UBM Motor Stakes while the £10,000 added UBM Merchants International Fillies' Stakes half an hour later has fared only marginally better with a turnout of six.

Further north the Lochranza Handicap at Ayr sees only four in action, while Thirsk's £6,000 Asda Sprint has attracted half a dozen runners.

My idea of the likely outcome of the International Fillies' Stakes is a win for Missed Blessing who did well to run her more forward stable companion, Bay Street, to a neck at level weights in Epsom's Princess Elizabeth Stakes.

Tim Holland-Martins' well-bred filly, a bay, by So Blessed out of Miss by Miles, is thought to have come on considerably since that run and will prove difficult to contain if back to the form which saw her lifting Ascot's Duke of Edinburgh Stakes on her one juvenile appearance.

For forecast purposes, backers are probably best advised to row in with that highly rated filly, Rapids, who outstayed Bay Street when she finished a fair fourth of nine behind Bireme in the Musidora Stakes.

Racing at Kempton closes with the George Boon Trainers' Invitation Race which sees a number of well-known handlers in the saddle. Here I anticipate Ian Balding, Guy Harwood and Luca Cumani all figuring prominently on horses from their own yards.

In what promises to be an intriguing event Monte Acuto is taken to give Harwood his 13th training success here since 1975.

While Missed Blessing is in action at Kempton, her stable jockey, John Reid, will be riding Taufan in Thirsk's Asda Sprint. The Stop The Music colt who could make up into one of the season's leading sprinters, is given a reasonably confident vote.

KEMPTON

1.30—Merokette
2.00—Get Stoned*
2.30—Missed Blessing
3.00—Leader of the Pack
3.30—Dalsaan
4.00—Flash Gordon
4.30—Monte Acuto

THIRSK

1.45—Cut Throat
2.45—Taufan***
3.45—Beulah Land
4.15—Sergei

AYR

1.45—Pinkerton's Man
2.15—Alex Flyer
2.45—Lana's Secret
3.45—Path of Peace**

MOTOR CARS

BOOKS

Inside Whitehall

BY C. P. SNOW

The Civil Service
by Peter Kellner and Lord Crowther-Hunt. Macdonald. £9.95. 352 pages

The Secret Constitution
by Brian Sedgemore. Hodder and Stoughton. £7.95. 256 pages

These two books, which are close in intention and sympathy, have two different claims on our attention. One is that they make, in the midst of miscellaneous protests and accusations, some objective points about the way our official society actually works. The other is that they reveal some strata of contemporary thinking inside the Labour Party.

The political position of the authors is not identical. All three are disappointed or perhaps Utopian social democrats. Sedgemore is a committed member of the irregular Left. He has what psychologists used to call a horns and halo vision. For him Mr. Benn is all halo, Mr. Callaghan all horns. Lord Crowther-Hunt is nearer the centre. He had a spell as a junior Minister in Harold Wilson's second Government, and before that was a vocal member *of the Fulton Committee on the* Civil Service, whose report, which he seems to have written largely himself, he regards as gospel.

Kellner is a professional journalist who has not been inside the political machine, but who has more sense of fact than the other two. His chapter on the operation of a Civil Service Selection Board is the best judged piece in the two books, and could be taken as a base for serious discussion. Kellner writes better than the other two, but all three use a modish rhetoric which seems designed to take the meaning out of words. This rhetoric gets in the way when they are telling us something which we ought to listen to. It is merely irritating when it is expressing fashionable abuse.

The words elite, elitism, keep cropping up, as though when they are pronounced the argument is disposed of. That is an infantile delusion. An elite is nothing more than a chosen group. A *football team* is an elite. Would anyone prefer to have a non-elite team? All effective societies need various kinds of elite, and most take some care to cherish them, in particular their intellectual elites, as in France since Napoleon, the Soviet Union for years past, today's China.

The trouble is, for Sedgemore and his fellow-thinkers, that elites have to be chosen on merit, and that leads to inconvenient results. Whatever changes one makes in, say, the methods of selection for the Civil Service, the same kind of persons seem to win through. This is most disturbing. The only way to avoid it would be to abolish the concept of merit altogether — as is already being tried in the quota system in some American universities. An even better solution would be to revert to the old Athenian practice of leaving all selection to sheer chance, as with football pools. Then you really would get a statistical distribution throughout the population and no damned merit about it.

Like elite and establishment, mandarin is another of these writers' curse words. They haven't found it necessary to pay any attention to what mandarins actually were or did, or how they were selecetd. For at least a thousand years, China had the most accomplished administrative system on earth. True, these mandarins were selected by arduous competitive examinations, which is obviously offensive to non-elitists. True, some of them wrote excellent poetry, which was not relevant to their work (relevant is the opposite of a curse word and echoes the language of students at Berkeley, period 1968-70).

Still, despite those grave faults, most mandarins spent much of their lifetime in remote provinces, doing very difficult practical jobs. They may have been generalists (another of Crowther-Hunt's pet terms of *denunciation) but they turned* themselves into competent masters of irrigation, land distribution, legal procedure, and so on. About the time of the Battle of Hastings some thoughtful man*darins were devising a* precursor of a modern public health service. They even wrote their own posters to instruct the population what help could be given and where to go to get it. As a term of abuse, mandarin is cheap and silly.

It doesn't redeem this stereotyped idiom to throw in words which sound professional and then use them wrong, as with *parameter* and *expertise.* Edward Bridges, as head of the Civil Service and a fine one, went to great trouble to impose a standard of clear and succinct English on his colleagues. Imagination boggles at the thought of his response if confronted by this new-style verbiage.

However, if we can forget the rhetoric, there is substance in some of the criticism in these books. Not in their worry about bias in the selection of candidates for administrative jobs. As Kellner firmly and honestly asserts, that is as fair as any human choice can be. Anyone who has sat in and watched the process can't help but agree. Yet, mysteriously, young people who have done well in Greats at Oxford still succeed—much more so than those who have done the "relevant" subjects much esteemed by Crowther-Hunt.

The fact is, that clever and ambitious boys and girls, who want to make a career in public service, tend to elect for what academics call "hard" subjects. If one doesn't learn such a subject before one is 20, one never will.

For myself, I would much rather have a bright youth or girl who has shown the brains and application to score a brilliant First in Tibetan or radio-astronomy than someone without comparable talents, either in intellect or stamina, who has done respectably in, say, social science or something said to be relevant.

The genuinely bright are what any high *class administration* must acquire—as the French Grandes Écoles have demonstrated for over a 100 years.

It is, of course, a popular fallacy to imagine that these successful Oxford graduates come from plutocratic homes. The facts aren't difficult to establish. Most of the good candidates come from modest homes, but where there is some idea of education, books, and a habit of work. That may be privilege, but those are the kind of homes which no conscientious or spirited country can deprive itself of if it is going to survive.

I have one doubt about the present system of selection, but it is quite a different one. I have believed from the beginning that it may have a squashing effect, that is by choosing people who are too much of a muchness, competent, steady, intelligent but not disconcertingly so. Without any question, the system eliminates the tail of misfits who used to get in through the old written examinations. Nowadays the main core of selections is all right, and any administrative body needs such a core of stable sensible officials. That is what we are getting. But I remain convinced that there is still a need for the occasional odd man out of high talent who doesn't easily fit in.


Lord Crowther-Hunt

The present system has missed a few such persons who have gone on to make notable marks elsewhere. I have an uneasy feeling that a man as much out of the ordinary as Enoch Powell might at 21 have troubled the selection apparatus. I am quite sure that Alan Turing would have done so. But the Government machine will become too static without the appearance now and then of a man of bizarre genius. Good sense is essential, and sufficient, for the mass of administrators, but it isn't quite enough.

The second main criticism of these three writers has much more in it than their first. It is that the present administrative structure—and it would be the same however it was recruited—is by the nature of things more influential and in a negative fashion more powerful—than the Governments who are in theory its masters. The problem is more complex than those books suggest. Decisions on many matters, including the most important matters, are often decided in a way which no one fully understands—as Tolstoy showed us over a hundred years ago in his account of war. But though these two books don't go deeply into the problem, they are right in saying that it does still exist. It is evident in all Parliamentary societies and probably in our own as much as any. It needs more detached thought than it has ever been given. These books are not distinguished for detached thought, but it is their contribution that they may help others to take a cool look at how parts of our society tick, which isn't how they are supposed to tick.

Back to Dallas days

BY GEORGE MALCOLM THOMPSON

Conspiracy
Who Killed President Kennedy? by Anthony Summers. Gollancz, £9.95, Fontana (paperback) £1.55, 640 pages

It was always difficult to believe that the assassination of President Kennedy was the unaided work of a solitary gunman, a "lone nut" named Lee Oswald using a rifle which was not particularly well suited to the job. After Anthony Summers's book, it becomes well-nigh impossible. However, if the first, simple explanation must be discarded, the puzzle becomes even harder to solve. There are, it seems, four possible sets of conspirators.

The KGB, customary villains in Western political crime stories, can be left out. Although Oswald spent some time in Russia and married a Russian woman, he was too unstable a character to impress the hard men at the head of the Second Chief Directorate in Moscow. So we are left with—

1. Castro's Secret Service. Oswald had been demonstrably *friendly to the* Cuban cause while in New Orleans; rather too much so, in fact, for at the same time he was closely associated with . . .

2. Anti-Castro elements among the Cuban exiles. These men felt that Kennedy had betrayed them by refusing to countenance any further privateering operations against Cuban or Soviet ships. What side Oswald was really on remains obscure. Perhaps it is not important.

3. The Mob, the gun-toting, dope-pedling, hoodlums of the crime gangs, and Jimmy Hoffa, the millionaire head of the Teamsters' Union. These men were filled with ferocious hatred of the Kennedy brothers, especially Robert Kennedy, the Attorney General, who had declared war on organised crime and corruption. They openly declared their resolve to murder the "son-of-a-bitch" and did not hide their conviction that the President would be "hit" before he could run for a second term. The Attorney, if his brother were no longer in the White House, would be only another lawyer.

4—The American Intelligence network, the FBI and, above all, the CIA. In writing about the latter organisation, Summers loses the judicial cool which is one of the most striking features of his immensely thorough, impressively detailed investigation. The CIA is too often coupled with the adjective "infamous." This, though reflecting a fashionable, post-Watergate opinion, seems a little severe on an organisation engaged in a deadly duel with a powerful and unscrupulous adversary. Latterly, Summers agrees that the CIA can be acquitted of any part in the assassination conspiracy although some of its "mavericks" are under suspicion.

As for the FBI, the worst that can be said of it is that it was slothful and incompetent. After all, it was J. Edgar Hoover who warned President Kennedy that the girl he was currently sleeping with was the mistress of Sam Giancana, boss of organised crime in Chicago and, says Summers, a key figure in a CIA plot to murder Castro. Even for an ardent, adventurous man like the President, the connection was too close.

One interesting fact Summers discloses: Oswald's early life is the seamy quarter of New Orleans, and his association, through his mother, with Carlos Marcello, known as "the Little Man" a vastly rich boss in the local Mafia (income of his syndicate $1,114m) who was later planning to kill Kennedy and "set up a nut to take the blame." In New Orleans Oswald shared an address with anti-Castro Cuban exiles, puzzling behaviour for one who had recently returned from training in a KGB "school" in Russia. It is not, however, the only strange feature of his connection with New Orleans. Another of the Oswald family's friends in the city was Nofio Pecora, an associate of Jack Ruby, the underworld character who killed Oswald two days after the Kennedy murder.

Ruby, deeply in debt before the murder, was suddenly very flush. The implication is that he was paid by the Mob to remove one who could have told too much about his friendships in the criminal world and in American Intelligence. When Oswald was arrested, he said: "I'm just a patsy." It was a theme on which he might have elaborated to the embarrassment of the rich and powerful.

On the role of the CIA, Summers leaves the reader in some doubt. Up to the day of the assassination the U.S. Government's Special Group on Cuba was approving sabotage ("pinprick") operations against Cuba under the supervision of Robert Kennedy, who could therefore be accused of endangering his brother's new policy of accommodation with Castro. In that case, may it not be premature to assume that Castro was not a party to the assassination? Certainly one cannot take seriously his 1978 statement to the Congress Assassinations Committee: "Our Marxist policy leaves no room for liquidation of leaders of any social system through terrorist acts."

On the whole, though, the suspicion, in this murky confusing world, centres on the Mob and its allies among the Cuban exiles. But a great deal remains without explanation. For instance, why did Oswald visit Mexico? And why do we have no clue to the identity of the second assasin?

In this one-man exercise in investigation, Summers has achieved more than two official commissions of enquiry. He has lifted a stone and revealed a whole world of scurrying, furtive creatures. He has not come up with a complete answer but he may stimulate Washington into re-opening the case.

Man of decision

BY JOHN BOURNE

Way of Life
by John Boyd-Carpenter. Sidgwick and Jackson. £10.00, 272 pages

"Springheel Jack" was one of his nicknames in the Commons, earned chiefly by his bouncing gait, which was the despair of his Sergeant-Major when Ensign Boyd-Carpenter was commissioned in the Scots Guards during the War. But it also stemmed from his obstinate assertiveness in Parliament and in Cabinet, and, above all, from his resilience throughout his long career.

The latter was shown in his ability, both intellectually and politically, to hold ministerial office for 10 years, under Prime Ministers as diverse as Churchill, Eden, Macmillan and Sir Alec Douglas-Home. Even under the "new broom" of Mr. Heath, he was considered as a candidate for the Speakership of the Commons, only to yield at the last moment to Selwyn Lloyd.

Later, he "bounced back" as chairman for six years of the powerful Public Accounts Committee, before becoming the first chairman of the newly-created Civil Aviation Authority. Now, in his early 70s he is chairman of the Rugby Portland Cement Company—a post to which he was elected in the face of the lively opposition of the outgoing chairman and chief architect of the company's success, Sir Halford Reddish.

"Jack" — now Lord Boyd-Carpenter—lives up to his nickname in many sections of his *memoirs.* These are brightly written and occasionally astringently funny:

"Devilling for the Treasury [in the 1930s], I found the Lord Chief Justice, Lord Hewart, was too good an advocate to be a good judge. He took sides and, given half a chance, took over one side's cause. Because I got on with him, I had no complaint about his bias. The problem was to prevent him overdoing it, and landing one with a losing case in the Court of Appeal."

His book also contains some new insights into such questions as—did Mr. Heath lose the close-run 1964 election for Sir Alec Douglas-Home by pressing ahead with his Bill to abolish Resale Price Maintenance, thus alienating the small shopkeepers who were the backbone of Tory activists in many marginal Tory seats?

But the most fascinating chapter is "Der Kaiser und Konig." "My grandfather," he writes, "the Bishop of Rippon, was a friend of Emperor William II of Germany. He met him frequently at Osborne, Windsor, and in Germany." (The Bishop was a member of Queen Victoria's household.) Lord Boyd-Carpenter continues:

"My *father, in August,* 1932, wrote to the Emperor, then in exile at Doorn in Holland, asking if he would receive him and if he could bring me with him. We crossed from Harwich, encumbered with the usual luggage of hatboxes containing our top hats and with morning coats in our large suitcases. . . ."

Reflecting what an extraordinary experience it was to be visiting a man who had sacked Bismark, the author reports that the old Kaiser made an attempt to conceal his horror at the atrocities and "programs" committed by the rising Hitler and Nazi Party:

"*He showed an obvious* distaste for the vulgarities and coarseness of the regime. He was clearly worried about the increasing risks of the Nazis involving Germany and *Europe in a new war,* . . . His real feeling appeared, however, in a family row, which occurred while we were there. His stepson, a boy of student age, appeared at lunch wearing a Swastika badge. He was told to take off 'that thing' (in English) or leave the table. The badge was abandoned, and the young man ate his lunch in silence, *with the* Empress making an obvious conversational effort to restore the situation."

Keeping the grass a little greener

GARDENING

ARTHUR HELLYER

IN MANY PLACES grass is beginning to show the effects of the dry spring and gardeners who really take a pride in their lawns should be thinking about appropriate counter measures now. If water is available freely there is no need to look much further at the moment except that watering, even when well done, does bring some problems of its own.

Because the water is applied more rapidly than would be usual with rain in this country, it is apt to cause some compaction of the surface soil and some extra leaching of plant nutrients. Both can be put right, the first by spiking or slitting, the second by the application of fertilisers but the longer it is left the greater the damage that will have been done and the greater, also, the difficulty in rectifying it.

Feeding, and maybe watering, too, if the garden hose works off a *meter, cost money* but one useful method of overcoming the ill effects of drought costs nothing and actually saves time. This is to dispense with the grass box and let the mowings fly, a practice I have advocated for years though usually against the weight of expert opinion. So I am delighted to find that now I have authority on my side. Researchers at Reading University have for several years been carrying out quite complex experiments on the mowing of grass and one of them, Richard Bisgrove, has described their results in some detail in the April issue of the *official Royal Horticultural* Society journal, "The Garden."

The experiments have dealt with height and frequency of mowing as well as with the question of collecting or distributing *the grass cuttings and* on all three matters the results are interesting and not entirely in line with expectation. Perhaps most surprising is the conclusion that it can take as long (one hour per annum per hundred square metres) to cut grass once a year as to cut it once a month if the same machinery is used for both systems since the rotary mower used in these rough grass tests had to be passed over the long grass several times to reduce it to the required level, with time wasting adjustments between each cutting whereas, when cut once a month, one pass over the area was sufficient.

It is precisely for this reason that I retain an ancient Allen Autoscythe (it was purchased shortly after the war and is still cutting well) to deal with long grass situations, for example where bulbs are naturalised or where it appears appropriate to maintain meadow rather than lawn conditions. This motor scythe, with oscillating blade, deals effortlessly with long grass and even brambles, and does not mash up the grass, so it can be made into hay if there is any use for that.

But to return to the matter of gathering or leaving normal lawn clippings, the Reading experiments show that, provided cutting is done fairly frequently, say a minimum of once a week during the growing season, the grass is invigorated and is better able to compete with moss if the mowings are returned. Two contrasted samples of short cut turf showed 60 per cent moss in the area over which a grass *box had always been used, and* only one strand of moss, discovered in four days of diligent poking and pulling, in the area where all mowings had been left to lie and wither. Of course no one suggests that this could or should be done on bowling and putting greens but there the shortage of nutrients caused by the removal of mowings must be made good by additional applications of fertilisers.

The two most frequent objections to the banishment of the grass box are that withering grass clippings look unsightly and that this is a swift way of propagating daisies. The first depends a lot on the frequency of cutting for if the clippings are short and tender they wither so rapidly that they are scarcely noticeable. Daisies no doubt are propagated by *severed leaves but that is really* an added reason for destroying them completely with routine applications of a selective lawn weed-killer.

Two other points emerging from the Reading experiments are that cutting at 15 mm above soil level is not only better for the grass than cutting at 5 mm but also that it reduces the frequency of cutting, so saving even more time and money. Personally I much prefer the longer, Continental lawn cut and have for long considered that gardeners who persist in *shaving their lawns like bowling greens* are getting the worst of it in every way.

When grass is left well over 15 mm long, cut, perhaps, once a fortnight, or even once a month outside the peak growing season, another problem arises. This kind of rough lawn is usually cut with some kind of rotary machine and if this ejects the grass at the side it will lie in swathes which certainly are unsightly and may even kill some of the grass beneath them. In such circumstances the grass must either be collected by the machine, or gathered up afterwards. This difficulty is much less acute with rear discharge machines which spread the grass more or less evenly. No doubt this is one reason why so many of the new rotary grass cutters, even the ride-on types and those made for attachment to mini-tractors, are now rear discharging.

The best way to water lawns is with a sprinkler designed to deliver about 1cm depth of water per hour over the area covered. Unfortunately it is not usually easy to obtain accurate information about the rate of delivery of various models but good oscillators usually come somewhere close to this output.

The nutrient most likely to be washed out or lost as a result of removal of clippings is nitrogen but I never like to use a purely nitrogenous fertiliser, such as sulphate of ammonia or urea formaldehyde, because of the risk of scorching the grass. It seems far better to use a compound fertiliser, ideally one specially prepared for lawns but it can be as simple and relatively cheap as National Growmore, still one of the best formulae devised for general garden use. Rate of application of this would be 3 oz per square yard (100 grammes per square metre).

On artificial turf

They say that in the Spring a young man's fancy turns to love. More likely with all this rain we've been having that its turning to the more mundane aspects of life—like mowing the lawn. Certainly the major mowing machine manufacturers are making their presence felt as they begin their brand share-battle with saturation screen and supplement advertising.

Sam Abel Smith, scion of the famous banking family (Smith's bank pre-dated the Bank of England in the 17th century), former merchant banker and now an enthusiastically entrepreneurial small businessman, *has also stepped up his* advertising to the British lawn-owning public—albeit with a considerably smaller budget than the mower giants. Only Smith is not telling this country's lawn *mowers how to cut their lawns,* rather how to cut them out.

Abel Smith is the brand leader in the lawn replacement market. His company Greensward of Rutland, sells arficial grass to householders who are fed up with mowing that bumpy patch at the back of the house that masquerades as lawn, or to flat dwellers whose tiny patch of sunlit concrete, be it forecourt, patio or roof terrace, is eminently unsuited for sowing with the real thing.

He is convinced that 1980 is going to be a boom year both for the British artificial grass industry, and for Greensward. "Artificial grass is about to become a growth industry. The product finally seems to have got consumer acceptance. There was initially some resistance to the concept of artificial grass but I think that now people are becoming aware of the product's advantages."

The advantages, apart from the aforementioned no-need-to-buy-a-mower, include the absence of ugly bald spots that dogs and children tend to cause on natural lawns, washability (very handy in relation to those dogs and children) and a much longer life than traditional turf. And if you opt for your "grass" in tile rather than carpet form, you can even replace small sections that are irreparably damaged by dog, child or guest with cigarette.

Abel Smith, who operates from his 35-room stone mansion (built in 1655 by the French ambassador who was fleeing from the London plague) set in four acres of daffodil-strewn turf *(the real thing)* in the Rutland village of Langham, is a passionate believer in the potential of the artificial lawn.

"When I was in America at the Harvard Business School I *saw how well the artificial grass* market was doing over there, particularly in the domestic sector, and when I returned to the UK I decided to retire from the City and go into grass. That was in 1975, and I must admit I had a number of problems at first, getting the product right —it is a polypropylene yarn that is woven on a carpet loom; defining the market and its requirements—I originally had 35 different textures and colours but now I have cut it down to two colours, emerald and olive, and two textures; organising distribution — I started selling by direct mail but it is a product that needs to be on display in garden centres and department stores; and getting the marketing and promotion right—I started calling it Lazylawn but that apparently had the wrong connotations which is why it is now called Greensward."

ROBYN WILSON

Royal clan in love

BY JAMES FRENCH

The Illustrious Lady
by Elizabeth Hamilton. Hamish Hamilton. £12.50 240 pages

The House of Stuart
by Maurice Ashley. J. M. Dent and Sons. £8.95. 237 pages

No wonder that books about Stuart times are such a growth industry. The stage was populated with a mass of rich, interesting characters and there is a wealth of source material. Personally, I find it impossible to keep track of everybody, but since mothers could not keep track of who fathered their children, that must be quite forgiveable.

The Illustrious Lady is about perhaps the most fascinating woman of Stuart times (though chacun à son gout) — Barbara Villiers, who became Lady *Castlemaine and the Duchess of* Cleveland, and Mistress of the Bedchamber. Beauty, wit, political manipulator par excellence, an all-time champion at making comebacks . . . a dainty dish who set many a dainty dish before the King, Charles II, of course.

Surely the most telling comment from Lady Hamilton was that her cupidity was endless. It was pretty broad, too. Whether you were English, Spanish, French, Protestant or Catholic, Barbara could fix it. She even fixed a pardon for a lover who had tried to kill two of her royal bastard sons.

One wonders what a woman of her looks and talents would achieve today. Certainly she could extract world record fees for a series of series from mass-circulation Sunday newspapers.

Perhaps I am a hard man, seeking the impossible, but apart from being told fact after fact about this barbarous lady, who could eat men or have them eating out of her hand, I *would love to know what made* her tick, apart from money, power and sex, that is. The secret of her success, because it was not beauty alone.


Barbara Villiers: barbarous lady

It is a generous title, *The Illustrious Lady,* although we used to name battleships Illustrious, and Barbara was a dreadnought who served the King well, for a long time. She also served plenty of others, not just aristocrats, but actors and an acrobat. The book might *have been called the Infamous Lady.*

After 40 years of a mockery of marriage (there was an outside chance her husband Roger might have fathered the first of *her five children), the* Duchess of Cleveland "married" a rotter called Robert Feilding, who soon started beating her and pinching her money. But it turned out that he was a bigamist who had just married another woman, whom he was mistakenly persuaded had a £60,000 fortune. He died in Fleet prison, and Barbara, whose looks had lasted an indecent long time, died at 68 of dropsy that "swelled her gradually to an enormous bulk."

Surprisingly, in view of her influence in home and foreign affairs in the reigns of Charles II and James II, not to mention the vast amount of taxes that were translated into gifts for her, Barbara Villiers does not rate a mention in *The House of Stuart.*

They certainly were a rum lot, these Stuarts, spendthrift, *none too loyal to those loyal to* them, yet none too harsh to those they might have treated ruthlessly. Overall, rather more inclined to keep out of war than to seek costly power and glory.

Dr. Ashley traces them from the time they came over from Britanny in 1101, settling first in Monmouthshire. Walter was High Steward to Robert the Bruce, Robert I of Scotland, whose son David, twice married, had no legitimate children. But Walter had married Robert's niece long before David had arrived (after 22 years of the Bruce's second marriage) and Walter's son Robert, eight years older than his uncle David, survived him to found the house of Stewart, anglicised to Stuart nearly three centuries later.

The story of many dynasties must provide, like this, a daunting dossier of dirty deeds. It is scholarly and well researched, as one would expect from an historian of Dr. Ashley's *pedigree.*

Officially the line ended in 1807 with "Henry IX," younger brother of Charles, the Young Pretender. He was Bishop of Frascati, and once reputedly the richest cardinal, but, having been impoverished by Napoleon's invasions, survived on a £4,000 a year pension generously given under George III. But there must be a few *hundred families* around today with a mite of Stuart blood in their veins.

S.F.

BY RAY LARSEN

Split Second by Garry Kilworth. Faber and Faber. £6.95, 191 pages

In the wake of the recent space epics it seems that we are now to be engulfed in a flood of novels and films dealing with time travel. Hollywood is rumoured to be already hard at work on this theme.

Garry Kilworth makes a pre-emptive strike and gives a new twist to the subject. The Wiederhaus Repeater is a brilliant device which recreates the past by means of holograms. Put an old skeleton in front of it and it starts projecting a scene of everyday life in the Paleolithic era. Unfortunately, no one really understands the principle on which the device works and as the result of a mishap — a boy is trapped half in and half out of prehistoric times.

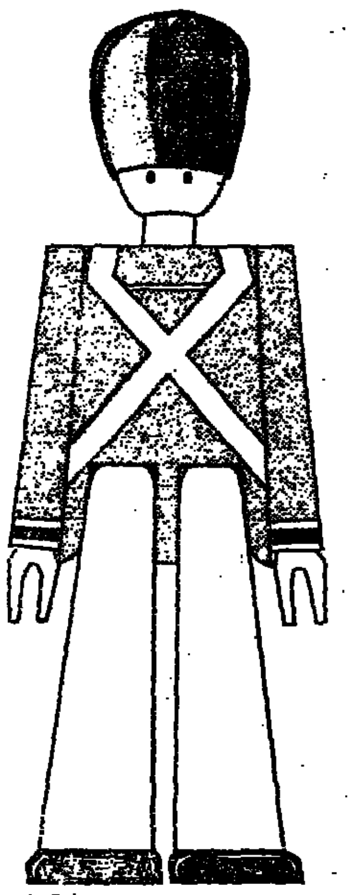
No modern writer will be able to improve on H. G. Wells' classic treatment of the theme, but Garry Kilworth makes a brave attempt.

HOW TO SPEND IT

by Lucia van der Post

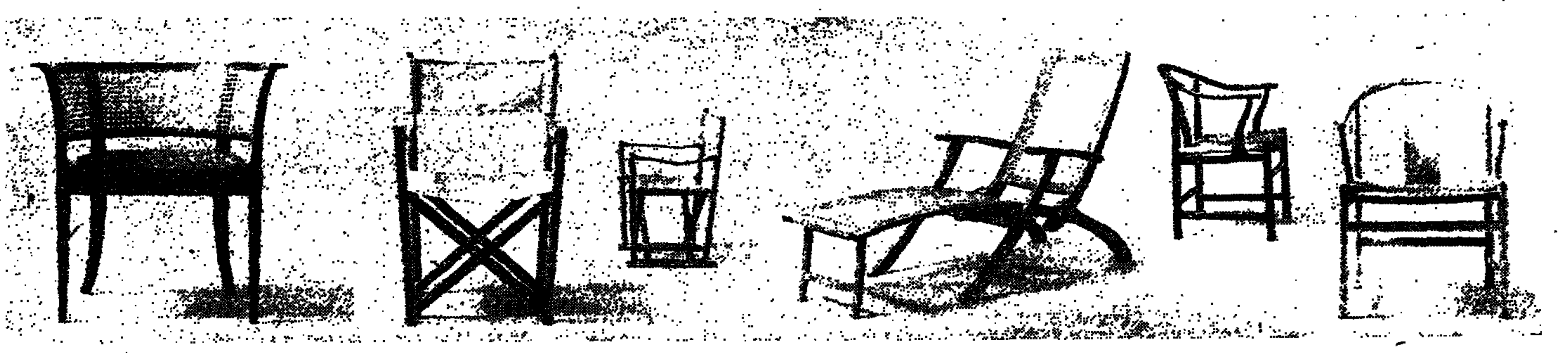
DANISH STYLE

Few pieces of furniture have as much personality as the chair. The chair is the most essential, the most fundamental piece of furniture and from it we can tell a lot. The selection below is taken from a large exhibition of chairs currently on show at Den Permanente in Copenhagen - they all reveal that combination of fine materials, superb craftsmanship and complete lack of pretentiousness that sum up the Danish attitude to design.



Celia Baker

KAY BOJESEN'S wooden toys are classics in their own way. Witty and beautifully-made, almost every Danish child has at least one. The authentically-coloured wooden soldier, above, is one of his most famous designs (though my personal favourite is the swinging wooden monkey) and you can buy the soldier (22cms tall) for £6.95 (p+p £1.50) as well as a large selection of his other toys from Touch Wood, 190, Walton Street, London, SW3.



THE exhibition of chairs at Copenhagen's Den Permanente is stunning proof of the old saying that "good design doesn't date." If you had to date all the chairs by guesswork, I think all but the most well-informed would be hard put to it to get more than a tiny proportion of them right. Many of the chairs on show are still in current production, proving that designs well over 50 years old are still valid, sought-after and suitable for modern living. This particular chair, known as the Faborg chair, is made of cross-grained oak with woven seat and back and is unfortunately not available in England. Designed by Kaare Klint in 1914 it looks essentially Danish to me but the Danes think it reveals a "refined English inspiration" which apparently came to be the hallmark of many of Kaare Klint's later designs.

HERE again, I think all but those who already know would be surprised at the date of this chair. Designed by Mogens Koch in 1932 it is, of course, not totally original, being one of the many versions of the folding director's chair that architects and designers have experimented with down the years. However, it is an exceedingly attractive and successful version in my view and is available in this country. The materials used are all first-class—the frame is of beech, the seat and back are of duck, the armrests are of leather and the small fittings are all brass. It has been produced by Cado since 1973 and in this country it costs about £90 and is available to order from Heal's of 197, Tottenham Court Road, London, WC1; Wolf and Alexander of Manchester and N. S. MacFarlane of Glasgow.

WITH this chair a Danish designer has yet again taken a classic design—the chaise-longue—and re-interpreted it in an inimitably Danish manner. Or perhaps he has taken two classic designs—for does it not also have something of the deck-chair about it, in the way that it lies and it folds?—and out of them created a chair of great sculptural appeal. The chair is made of teak with woven back and seat and yet again the date of its original version, 1933, is astounding. Designed by Kaare Klint, one of the recurring great names in the exhibition (Klint, Borge Mogensen and Hans T. Wegner seemed to have been amongst the most prolific and most revered of Danish chair designers), it is, alas, not on sale in this country.

HANS J. WEGNER, as I have already mentioned, is one of the most revered designers in Denmark, and though this particular model, the China chair, was first designed in 1945, it is still being produced to this day, though unfortunately I have been unable to track down a British stockist. Part of the problems seems to be cost—Wegner's chairs are made from solid wood and a combination of machine work and careful craftsmanship means that they cannot be produced either very fast or in large numbers.

The small firm of P. P. Mobler that makes all Wegner's designs is one of the few places where the skills of the old chairmakers have survived. Kennedy and Nixon fought out their last duel in front of the television cameras before the famous 1960 election, sitting on Wegner chairs.

NOT exactly an everyday item but an example of how the high quality of craftsmanship still available in Denmark today can be allied to the most modern of professions—the pop star or singer. Thomas Puggaard-Muller specialises in making the very best guitars in the world. They are made of mahogany and he makes them almost entirely by hand with the result that they take three or four months to make, though he is currently working out ways and means of speeding up the process without losing out on quality or finish. The shape, so guitar players tell me, is totally original (it certainly looks it to my inexpert eye) and his speciality is to work on making them "easy to play" and "right to hold." He likes his guitars to mould so well into the body that the player is able to forget about everything except the playing. Many famous pop stars apparently own one—including members of the Weather Report, Tim Renwick, an ex-member of the Sutherland Brothers and Quiver. People come from all over the world to order them but should I have any potential popstars among my readers the man to contact in London is Chris Rockliffe, 28, Brewer Street, London, W1, who handles the London end. Prices are about £800 to £900.

ALL OF us who are interested in our homes have reason to be grateful to the Danes. Whether consciously or subconsciously there can be few of us who have not been influenced in some way by their approach to life. In the days (back in the late 1950s and early 1960s) of the great love affair between the design world and Scandinavia we could hardly open a magazine without seeing pictures of these lovely calm, ordered, warm interiors that seemed to breath fresh air into the whole business of interior design.

In those days Danish design, particularly in the field of furniture, seemed to lead the world and shops that specialised in all things Danish (I remember in particular the late, lamented Vasa) had great prestige and success. In the blaze of Op and Pop and Beatlemania that came with the 1960s order, calm and sensible solutions disappeared in a welter of colourful, witty and charming ephemera and Danish design never seems to have regained quite the same prestige again.

Partly, of course, the reason is that Danish design hasn't changed a great deal. It is much less fashion-orientated, and for that reason often a great deal more sensible and longer-lasting, than other more publicised or flamboyant products. They believe that simple, uncluttered forms and objects have long lives—and herein lies their dilemma, how to be true to their historical roots, their deep craft traditions, and yet continue to attract the interest and spending money of the outside world. No matter how beautiful or sensible a specific design solution is we mere humans long for change.

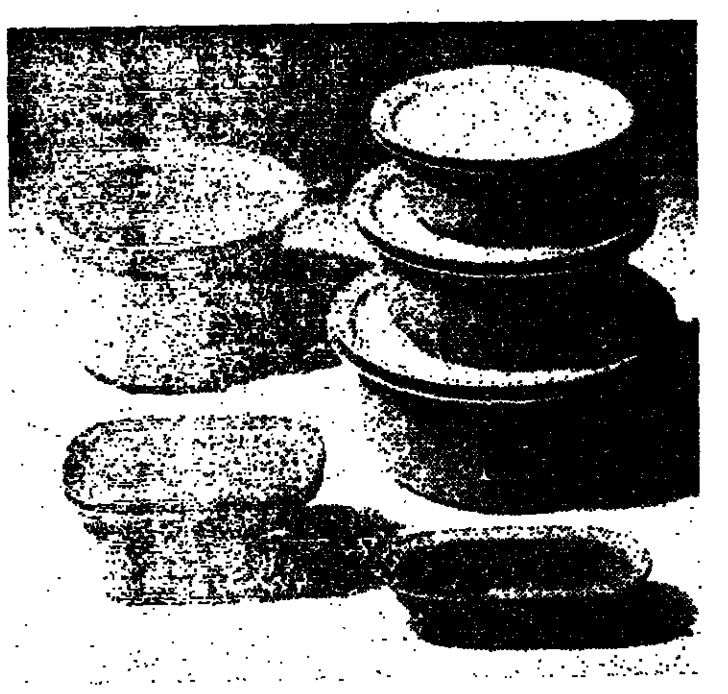
Perhaps fashion after all is once again on their side for it seems to me that after the frenzied excitements of the 1960s we once again are seeking more sensible ways of living. Nobody can look at those wonderfully organised, beautifully tranquil interiors without feeling that there is something to be learned from them.

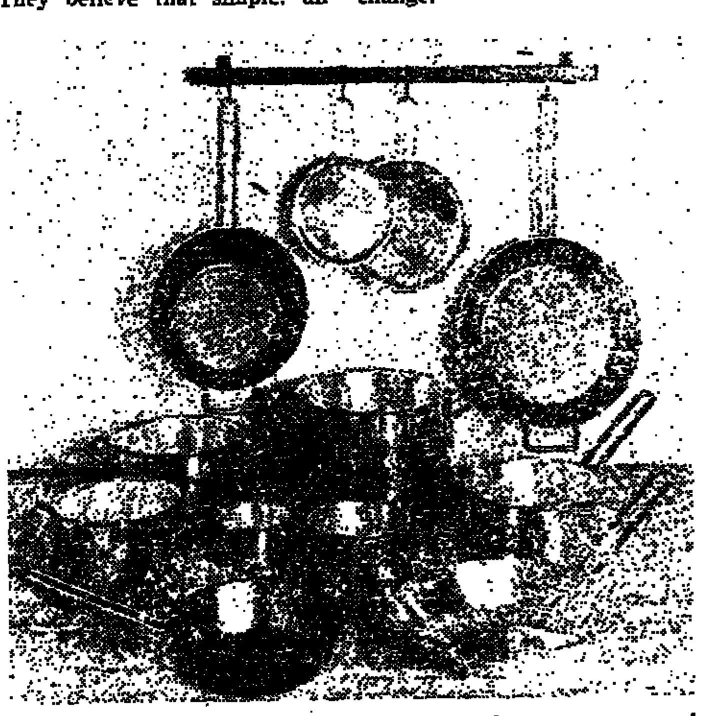
For the Danes simple does not mean poor or imply a loss of quality—simple for them is used in the way that Elizabeth David uses the word when she talks about food. It stands for attention to detail, to the inherent qualities of the materials and the function and a refusal to let these be overwhelmed by superfluous bits and pieces.

Anybody going to Denmark this summer should do their utmost to see a few private Danish homes—they are usually a revelation in that perfectly ordinary people seem to have an innate gift for investing their homes with an air of lightness, of order and of welcoming warmth. I came home and longed to clear out all the junk I'd collected over the years.

The Danish Design Council has organised a Design Cavalcade this year which is meant to show that design is not a thing apart from life but an integral part of it and to this end workshops up and down the land are open to visitors—particularly appealing are the small ones on the Baltic island of Bjornholm which seems to have attracted ceramicists of varying degrees of talent and a marvellous silversmith Mogens Bjorn-Andersen (if you go do make sure to watch the herrings being smoked).

For those who will never set foot in Denmark but are interested in things Danish, The Danish House in Sloane Street has a large collection of all the table accessories, like candles and candle-rings, that give the table a special Danish air. Oscar Woollens Interiors of 421 Finchley Road, London, N.W.3 has as large a collection of fine Danish furniture as I've been able to track down—in particular he stocks several of the designs of Poul Kjaerholm, one of the most distinguished of their designers who died just three weeks ago. He also sells furniture by H. Wegner, Domus Danics, and a new young team called Thygesen and Sorensen, and some relatively inexpensive carpets and rugs.





THERE IS something about a Danish table that is quite unlike one from any other country. The Danish approach to food is full of enthusiasm but the tables they set and lay are characterised by a respect for the food, by a desire to create a warm, and attractive background to it.

Most of the wares relating to food, the kitchen and the table have an appeal, based on their attractiveness, their practicality and their simplicity, that transcends all national barriers.

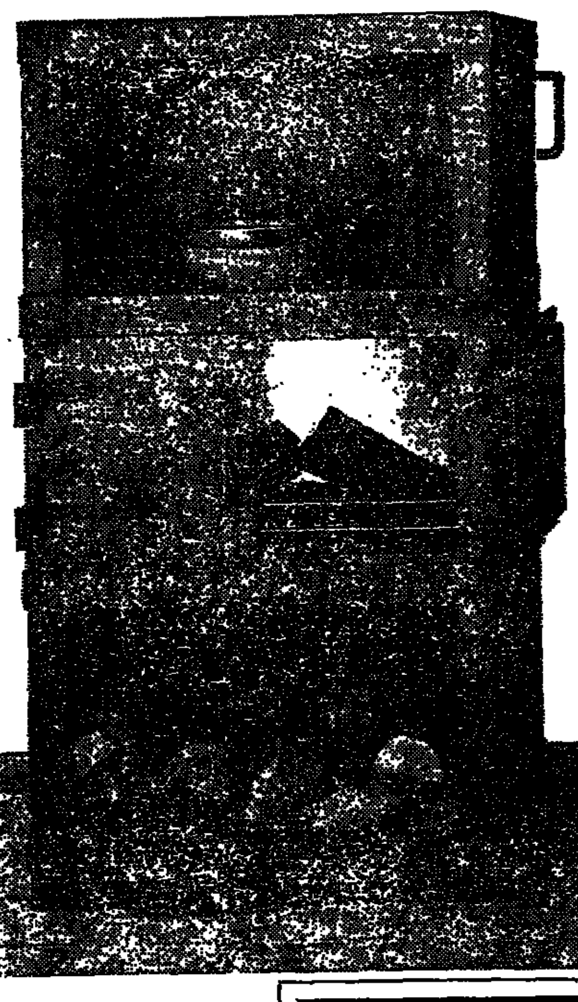
Here are two of the latest products designed for the kitchen. Both of the ranges offer considerable practical advantages besides being exceedingly attractive and appealing in their own right.

Above left is a range of flameproof stoneware, designed by Grethe Meyer and made by the Royal Copenhagen Porcelain Company. The range is one of the most practical imaginable. It consists of a series of very appealing shapes — some of the dishes are shaped so that loaves of bread can be baked in them, others are deep and would be ideal for pies, some are round for flans, others are square and deep and would take a joint or a casserole. The pots are all unglazed and have a lovely matt, beige finish. You can use them on top of the stove, put them straight from oven into freezer or vice-versa, and use for any other culinary process except deep-fat frying.

Called the Ildpot collection, it can be seen and ordered at Royal Copenhagen Porcelain and George Jensen Silver, 15, New Bond Street, London, W.1. To give an idea of prices—a wide-based pot 10 cm by 25 cm is £14.75, its matching lid is £8.90. A big round casserole-sized pot (12 cm by 29 cm) is £21, its lid £9.80.

Above right is the Eva Trio Gourmet range of pots, casseroles, saucepans and frying pans.

The range is offered in three different materials — either copper (lined with silver), carbon steel or aluminium. All pan handles and lid handles are made of stainless steel — because it is a poor conductor of heat, this means they should never be too hot to hold with bare hands. The handles have also been designed to allow the pots to be hung away when not in use and the lids allow the pots to be stacked if that is preferred. Designed by Ole Palsby for Erik Mangor, the range can be bought from David Mellor of 4, Sloane Square, London, S.W.1 or 66, King Street, Manchester. In aluminium saucepans start at £8.31 for 16 cm diameter size and casseroles start at £12.37 for 20 cm diameter. In copper saucepans start at £32.08 for 16 cm diameter size and casseroles at £40.10. In carbon steel, the deep frying pan is £10.49 for 20 cm size.



THE secret of happy living in Denmark is warmth—and this is achieved not only in the way in which the house is furnished but often more literally by means of a stove at the heart of the house. Rais stoves are of singularly good quality, being very high standard industrial art. They are handcrafted by blacksmiths and made from wrought iron. As you can see from the photograph, though primarily entirely functional, they are so finely made as to be extremely beautiful.

Typically, Rais stoves are divided into three parts—at the top is the smoke box with a heat chamber; in the middle is the fireplace with doors and vents and at the bottom there is the wood bin. They can function as either open fireplaces or closed stoves. For those who want to find out more about the range Keddy Home Improvement of 198, High Street, Egham, Surrey, has several designs in stock, in which case they can be delivered immediately, and other designs can be ordered from Denmark (this takes about five weeks). This particular stove is £567, but Rais also make fireplace accessories, tools, barbeque grills and chimneys.

ARTS

Christopher Benjamin and Sorcha Cusack

John Bull's Other Island

BY B. A. YOUNG

As is often the case, as is the case in *Mrs. Warren's Profession* and *The Doctor's Dilemma* for example, Shaw's long-term forecast turns out mistaken. As is nearly always the case, the play containing it remains an evident masterpiece for its human understanding. Ireland's agriculture has not been swallowed up under hotels and golf-clubs built by latter-day Tom Broadbents at all; the Repubic's agriculture is healthy, and the neo-colonial exploitation is not British but German and Japanese.

This does not invalidate *John Bull's Othe Island*, now to be seen, and very much recommended, at the Greenwich Theatre. *As a fantasy on the* interplay of contrasted characters the play glitters enchantingly, and the two main players are as truthful as ever—Broadment, instantly won over by Maudling trivialities as long as they don't deflect him from his unthwartable business proposals, Doyle, "standing clear-headed" (in Shaw's words), "sane, hardly callous to the boyish sentimentalities, susceptibilities and credulities that make the Englishman the dope of every charlatan and numskull."

This is Alan Strachan's second production of the play within the last decade, and he is lucky indeed to have Christopher Benjamin again for his Broadbent. He gives that amiable buffoon the qualities of determination and even courage that go to the makeup of his character—see, for instance, how unmoved he is after having survived what must in those days have been considered a dangerous accident with Haffigan's pig in his car. P. G. Stephens as Peter Keegan was also in the last production. He has the character plumb right, but seemed on Thursday to be skating over the surface of it as if he had not yet settled down.

Tony Doyle keeps all surface Irishness resolutely at bay in his portrayal of Doyle; "hardily callous" is right, though he needn't be quite so loudly emphatic about it all. Fascinating, though, to see how Doyle, the born Irishman, assumes so much of what we suppose to be English personality, while Broadbent, the Englishman, is talking bad Erse within 24 hours.

Sorcha Cusack plays Nora Reilly with such dignity that I couldn't help wondering what it was about her that Broadbent found so irresistible. There are pleasant cameos by Chris Gannon as Matt Haffigan, revelling in his historic sufferings as if he were the Irish nation itself, John Biggerstaff as the totalitarian Father Dempsey, Reginald Jessup, a middle-aged version of Straker from *Man and Superman* as the man-servant Hodson.

Where art is at this summer

BY WILLIAM PACKER

The Royal Academy is a strange, perverse beast: the more it appears to stay the same, the more it changes. So familiar and regular, indeed, is the role it plays in the social round of the art world, that few of us ever take the trouble to check and revise our attitudes towards it, which all too quickly harden into ancient prejudices. We nod gratefully at the splendid historical shows, of course, but are inclined to take even those for granted. As for the Summer Show at Burlington House, which really is the heart of the Academy's being, the arbitrary disappointments and triumphs of the selection, the unrepentant and attractive self-importance of the Banquet, and the Society crush of the Private View might all appeal readily enough to the interest of the tabloid or programme editor; but, well, who really cares anything about the Art?

But the truth of it is both more encouraging and more serious than that. On leaving a preview of this year's show, I was asked by a senior Academician what I thought of it, and could give him only an immediate impression. I said what I still believe to be true: that it was much as I had expected, a typical Summer Show, in fact, as intriguing a mixture as ever, and I was much impressed by its general strength and quality. I feel now that I should go a little further.

It is, of course, just another Summer Show, and indeed it would lose its essential virtue if ever it tried to be anything else; but this year it is too easy, and less than fair, to write it off simply as such. We have all been urging the Academy to change its ways for so long that the habit is dangerously close to becoming a thoughtless reflex, so much so that perhaps we no longer actually look for any change to take place. It is quite unreasonable to expect any great institution to transform itself overnight; but equally we should not have allowed ourselves to be taken in by the grandmother's footsteps the Academy has been treading so cleverly these 10 years past and more. This year's exhibition would have been unimaginable 20 years ago, that year's unrecognisable today. The Academy has travelled a long way, and we really should acknowledge, as we should have noticed, as much.

The point is not that this year's exhibition is at all exceptional in itself, nor even unusual: rather it is that far from being, as it most certainly once was, the refuge of the amateur, the trivial and the reactionary, the Academy now presents and, more to the point, can be assumed to present in its Summer Show, a broad view across current serious professional activity.

In 1975 I said in this paper: "It is possible that before too long the Academy once more will take up the central position it was founded to occupy; but it will only do so with the consent and active help of the generality of artists. In its turn it must be imaginative and generous in the encouragement it offers them, and more open and flexible in its dealings."

Indeed, it all now seems to be coming out right. That was the last year of Sir Thomas Monnington's Presidency, during the 10 years of which he had most carefully, if undemonstratively, prepared the ground for precisely such an advance. His successor, Sir Hugh Casson, to his great credit, has exploited that preparation with admirable imagination and flair; and the artists have rallied to him. We have only to keep an eye on the list of the Academicians and Asociates themselves, and notice who are the new or prospective members year by year, to register how fundamentally things have changed.

For it is by its membership that any institution thrives or fails; and the degree to which the Academicians and Associates themselves, so often in the past wicked fairies at their own party, now set the tone for it and actually command the show, has become increasingly marked over the past few years. So much has self-confidence been restored that the first three rooms, which are the principal galleries at Burlington House, though it has clearly been for some time a convention of the hang to load them with members' works, are now given over almost exclusively to them, what exceptions there are tending to be by candidates for election. For our part there is in this no call for regret or condescension so long as the paintings, as is now the case, deserve their prominence.

This year we have even reached the point where the Academy Portrait has been retrieved from the back rooms and further corners of the show, to be reinstated, without embarrassment or apology, in Gallery III, the Banqueting Room itself. And why not? The Portrait is after all a perfectly honourable subject for the artist to take, and the three examples here, by Norman Blamey, Rodrigo Moynihan and Ruskin Spear, show by their vigour and their craft that the Art of it has not been entirely lost.

As for their colleagues, the customary obituary displays to Sheils Fell, Edward Ardizzone and William Roberts apart, there are distinguished works from Peter Greenham, David Tindle, William Bowyer and Edward Bawden: Elizabeth Blackadder, Diana Armfield, Edward Wolfe (who also shows a fine Bloomsbury portrait in Gallery V), Ben Levene and, of course, Allan Gwynne-Jones all show excellent flower-pieces: Norman Adams' and Anthony Whishaw's *are the outstanding* abstract paintings: Edward Middleditch shows a strong set of landscape drawings, and there is an exquisite landscape apiece from Frederick Cuming and Craigie Aitchison.

But the best landscapes come from the ever-consistent but unsung Olwyn Bowey, her work spread about rather, but adding up nonetheless to a most impressive contribution. Elsewhere there are, among the many good things, fine works by Anthony Gross, Norman Stevens, John Bellany, Maggi Hambling, Anthony Green (who is rather less conspicuous this year), Len McComb and Bernard Dunstan.

The academy is often berated for the abstract work it shows—either too much, or too little, or all of it too bad; but it is a healthy sign that so many younger painters should send in as a matter of course, and their work is given deserved attention this year, notably Martin Ball, Mark Ainsworth, Ken Oliver and Timothy Jones. Among their seniors who contribute good things are Noel Forster, Frank Bowling and John Edwards. The large mixed show is never easy on abstract painting, and it is good to see artists of this calibre prepared to take their chance.

I have said nothing of the sculpture (I leave the architecture to my colleague, Colin Amery, writing on Monday), which was not finally installed at the time of my visit—though I suspect it to be rather undistinguished this year. Eduardo Paolozzi, however, is showing some strong and impressive new work, and I noticed a very good, small multi-coloured piece by Kenneth Draper. Of the figurative work, the modesty and charm of James Butler's small figure studies belie their quality, and the strange garden furniture of Nicholas Dimbleby suggests he is worth watching for the future.

The statistics of the show are as daunting as ever, with 1,377 works in all from a submission of some 12,400. No reviewer can do more than make a personal sample of the whole, his list of names inevitably arbitrary, any detailed criticism quite impossible. But a general view is possible, and it is clear, to me at least, that the Royal Academy, with all its faults and virtues and maddening idiosyncracy, has at last brought its Summer Show back where it should be at the centre of affairs, deserving serious annual attention not out of ancient respect, but for what it actually contains.

The Academy faces the eighties with its finances as parlous as ever, but carrying with it the considerable, and growing goodwill of the community of artists. Equally encouraging, for by its size and density, the Summer Show is hard work for any visitor, is the fact that something over 100,000 people will make time to look at it before August 24, its final day.

A Bay Window in Hampstead by Norman Blamey, RA

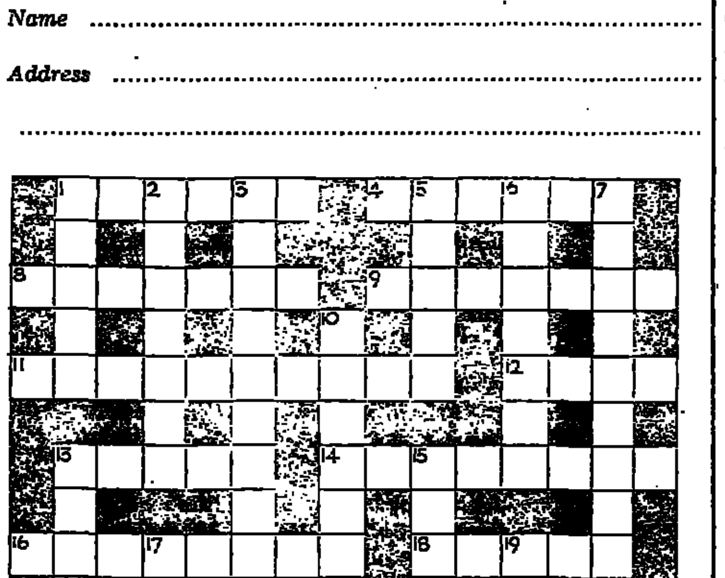
Dorothy Phillips by Edward Wolfe, RA

F.T. CROSSWORD PUZZLE No. 4,285

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



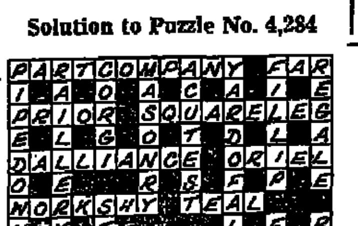
ACROSS

1 Biblical wife with good French decoration (6)
4 A perfume going up (6)
8 Moving moderately and before stake (7)
9 Refuse to give the various cases (7)
11 Chief horse looking for nuts? (10)
12 Look both ways (4)
13 Mean to wash an inferior animal (5)
14 Thin pole designed as oarsman's assistant (5-3)
16 Magician is to swindle one under oath (8)
18 Keep off guard (5)
20 Type of pen producing article from the south-west (4)
21 Support a bird we hear for the spread of opinions (10)
23 Greatly impressive but secretive about gallery (7)
24 One who sticks notice in this place. Right? (7)
25 Make firm difficult to turn *north-east* (6)
26 One who emends rode back about it (6)

DOWN

1 Get up about noon and wash (5)
2 Bag first of bass on its means of ascent (7)
3 No longer fashionable item to exceed in quantity (9)
5 Guide a young beast (5)
6 Overshadow cuts in European leaders (7)
7 Note about wrath in Moroccan (9)
10 Railway compartment in express with space (9)
13 Check guard and timer (4-5)
15 Careless, informal and nonchalant (9)
17 Caretaker put wrongly into jar (7)
19 The most close disturbed in earnest (7)
21 Peas to beat (5)
22 Gloomy doctor with audio receiver (5)

Solution to Puzzle No. 4,284



TV Radio

† Indicates programme in black and white

BBC 1

7.15-8.30 am Open University (ultra high frequency only). 9.00 The Banana Splits. 9.30 The Adventure Game. 10.10 Feeling Great! †10.20 Zorro. 11.10 Mickey Mouse Club. 11.30 Watch Your Stern, starring Kenneth Connor. 12.57 pm Weather.

1.00 Grandstand: Speedway (1.05) Embassy International; Racing from Thirsk (1.35, 2.05, 2.35, 3.05); Pool (1.50, 2.20, 4.05, 4.40) Hemeling World Pool Championships; Archery (2.50) Alka-Seltzer Olympic Seven; Boxing (3.20) Featherweight Championship of Great Britain; Motor Sport (3.45, 4.20) The Kawasaki Motosprint; 5.00 Final Score.
5.10 News.
5.20 Sport/Regional News.
5.25 Wonder Woman.
6.15 What's on Wogan.
6.50 Saturday Night at the Movies "Legend of the Golden Gun."
8.20 The Val Doonican Music Show.
9.05 Knots Landing.
9.55 News.
10.15 Telford's Change.
11.30 Saturday Night at the Mill.

All Regions as BBC1 except as follows:

Cymru/Wales — 5.20-5.25 pm Sports News Wales. 12.10 am News and Weather for Wales.

Scotland—12.10 am News and Weather for Scotland.

Northern Ireland—5.20-5.25 pm Northern Ireland News. 12.10 am News and Weather for Northern Ireland.

England—5.20-5.25 pm (South West only) Saturday Spotlight.

BBC 2

7.40 am Open University.
2.45 pm Saturday Cinema: "Cinderella — Italian Style," starring Sophia Loren.
4.25 Horizon.
5.20 Open Door.
5.50 The Rugby League Year.
6.50 Architecture for Everyman, written and presented by Patrick Nuttgens.
7.40 News and Sport.
7.55 The Levin Interviews: Bernard Levin talks to Friedrich Hayek, who won the Nobel Prize for Economics in 1974.
8.25 Dance Month: The London Festival Ballet in "La Sylphide."
9.55 Film International: "Cria Cuervos," starring Geraldine Chaplin.
11.40 News on 2.
†11.45 Midnight Movie: "Broadway Melody of 1940," starring Fred Astaire.

BBC2 Scotland only—5.20-5.50 pm Conference '80 (Scottish National Party report).

LONDON

8.40 am Sesame Street. 9.40 Fangface. 10.05 Superman. 10.30 Fun Factory.

12.30 pm World of Sport: 12.35 International Sports Special (Part 1) Motor Racing—The Indianapolis 500 plus Ice Hockey; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Kempton; 1.45, 2.15 and 2.45 from Ayr; 3.10 International Sports Special (Part 2) Darts—News of the World Championship; 4.00 Wrestling; 4.55 Results Service.
5.05 News.
5.15 Doctors and Nurses.
5.30 Happy Days.
6.00 Russ Abbot's Madhouse.
6.30 Chips.
7.30 Mixed Blessings.
8.00 Stars in Action: "The Hired Hand," starring Peter Fonda.
9.45 Tales of the Unexpected.
10.15 News.
10.40 Charles Endell Esquire.
11.40 Pro-Celebrity Darts.
12.10 am The Practice.
12.40 am Close: Personal choice with Dame Peggy Ashcroft.

All IBA Regions as London except at the following times:

ANGLIA

9.40 am Tarzan. 5.15 pm Cartoon Time. 5.30 Mork and Mindy. 6.00 Sale of the Century. 6.30 A Man Called Sloane. 7.30 Russ Abbot's Madhouse. 8.00 How the West was Won. 11.40 Soap. 12.10 am Adventure World of Sir Edmund Hillary. 12.40 At the End of the Day.

ATV

9.10 am Crisis?—The Energy Question. 9.35 Public Office: The Lord Chancellor, Lord Hailsham. 10.00 Solo One. 5.15 pm The Woody Woodpecker Show. 5.30 Mork and Mindy. 6.30 B. J. and the Bear. 8.00 Saturday Cinema: "Superdome." 11.40 Lifeline.

BORDER

9.10 am Crisis?—The Energy Question. 9.35 Public Office. 10.00 Untamed World. 5.30 pm Mork and Mindy. 6.30 B. J. and the Bear. 8.00 Saturday Night at the Movies. 11.40 Pro-Celebrity Darts.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 5.17 Cartoontime. 5.30 Mork and Mindy. 6.30 B. J. and the Bear. 8.00 TV Movie "Winchester '73." 10.40 Sea and Ships. 11.10 Pro-Celebrity Snooker. 11.55 The Electric Theatre Show.

GRAMPIAN

9.05 am The Beachcombers. 9.30 Cuir Car. 10.00 Fangface. 5.15 pm Cartoon Time. 5.30 Mork and Mindy, followed by Area Weather Forecast and Shinty Results. 6.30 The Incredible Hulk. 8.00 The Big Film: "The Movie Murderer." 11.40 Seachd Laithean. 11.55 The Odd Couple. 12.25 am Reflections.

GRANADA

9.30 am Crisis?—The Energy Question. 10.00 Cartoons. 10.05 Batman. 5.15 pm Cartoon Time. 5.30 Mork and Mindy. 6.30 The Incredible Hulk. 8.00 Saturday Night at the Movies: "Soylent Green." 12.10 am For Adults Only: Mia Farrow in "Blind Terror."

HTV

9.15 am Public Office. 9.40 Getting On. 10.05 Fangface. 5.15 pm Cartoontime. 5.30 Mork and Mindy. 8.00 Saturday Cinema: "Superdome." 11.40 *The Electric Theatre Show.* 12.10 am *The Entertainers.*

HTV Cymru/Wales—As HTV West/ HTV General Service except: 5.30-6.00 pm Sion A Sian. 10.40 Eisteddfod Genedlaethol yr Urdd Bro Colwyn 1980. 11.10-12.10 am Charles Endell Esquire.

SCOTTISH

9.10 am Crisis?—The Energy Question. 9.35 Build Your Own Boat. 10.05 Makin' It. 5.15 Cartoontime. 6.30 A Man Called Sloane. 8.00 Feature Film—"All the Way." 11.40 Soap. 12.10 am Fully Licensed for Singing and Dancing. 12.35 Late Call.

SOUTHERN

9.00 am Sesame Street. 10.00 Fangface. 10.27 Regional Weather Forecast. 5.15 pm Magilla Gorilla. 5.30 Mork and Mindy. 6.30 Charlie's Angels. 8.00 "Destiny of a Spy," starring Lorne Greene. 10.40 Southern News. 10.45 The Barry Westwood Talkabout. 11.45 Barney Miller.

TYNE TEES

9.00 Saturday Shake-up. 9.05 Tarzan. 9.55 Saturday Shake-up. 10.05 Moby Dick and the Mighty Mightor. 10.30 Saturday Shake-up. 10.50 Saturday Morning Movie—"Thunderbird 6." 12.20 pm Saturday Shake-up. 5.15 Cartoon Time. 5.30 Sale of the Century. 6.30 A Man Called Sloane. 8.00 Saturday Shoot-out: "Tennessee's Partner." 11.40 Jazz Night. 12.30 am Three's Company.

ULSTER

9.30 am Crisis?—The Energy Question. 9.55 Cartoon. 10.05 Spiderman. 5.30 pm Sam. 6.30 Charlie's Angels. 10.39 Ulster Weather. 11.40 Sports Results. 11.45 Barney Miller.

WESTWARD

9.30 am Target the Impossible. 9.55 Look and See. 10.00 Rocket Robin Hood. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News. 5.17 Cartoontime. 5.30 Mork and Mindy. 6.30 B. J. and the Bear. 8.00 TV Movie: "Winchester '73." starring Tom Tryon and John Saxon. 10.40 Sea and Ships. 11.10 Pro-Celebrity Snooker. 11.55 The Electric Theatre Show. 12.20 am Faith for Life. 12.25 West Country Weather, Shipping Forecast.

YORKSHIRE

9.00 am Spiderman. 9.15 Beachcombers. 9.40 Lucan. 5.15 pm Cartoon Time. 6.30 A Man Called Sloane. 8.00 The Big Film: "The Movie Murderer." 11.40 Vegas.

(S) Stereophonic broadcast
‡ Medium wave

RADIO 1

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Rock on Saturday (S). 7.30-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.06 David Jacobs with Star Sounds (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm Punch Line. 1.30 Sport on 2: Rugby Special (1.30, 2.30, 3.00, 3.15, 4.50) British Lions v South Africa; Racing from Kempton (1.30, 1.55, 2.25, 2.55); Milk Race (1.30, 2.10, 5.15) Tour of Britain Cycle Race; Tennis (1.30, 2.15, 3.10, 4.00, 5.10) French Championships; plus news of Rowing, Motor-cycling, Boxing, Cricket; 5.45 Classified racing results. 6.03 Pop Over Europe. 7.02 Three in a Row. 7.30 Sports Desk. 7.33 Big Band Special (S). 8.02 Ally Pally Pops (S). 10.02 Sentimental Journey (S). 11.02 Sports Desk. 11.10 Bob Kilbey with the Late Show (S), including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release of music by Meyerbeer (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play it Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Organ Works of J. S. Bach (S). 7.10 Boccherini (S). 7.30 The Real Business of Living (story). 8.00 Bath Festival 1980 "Handel's Belshazzar" (S), including 9.25-9.35 Interval Reading. 11.00 News. 11.05-11.15 Mozart (S).

VHF only—6.00-8.00 am Open University and for Scottish students only: 12.00-1.00 am

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 8.59 Continental Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service. 10.45 Pick of the Week (S). 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 Conversation Piece. 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Little Dorrit. 3.25 Join Radio 3. 5.00 You Are What You Eat. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs with Robert Tear. 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen. 8.00 Saturday-night Theatre (S). 9.58 Weather. 10.00 News. 10.15 The Snow Shall be their Winding Sheet. 11.00 Lighten Our Darkness. 11.15 The Magic of Music (S). 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-5.00 am Join Radio 2.

London Broadcasting

7.00 am AM with Steve Wood. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 *Geet Mala.* 8.00 *Our Kind of Town.* 9.00 The London Interview—Sir Colin Davis Music Director of the Royal Opera House. 10.00 Nightline. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

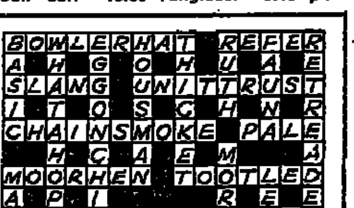
6.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Alan ("Fluff") Freeman (S). 3.00 pm Afternoon Delight (S). 6.00 Soul Spectrum (S). 8.00 Roots Rockers (S). 9.00 Nicky Horne's "Six of the Best" (S). 12.00 Mike Allen's After Midnight (S). 4.00 am The Collection (Classical Music) (S).

SOLUTION AND WINNERS OF PUZZLE NO. 4,280

Mr. F. J. Crosbie, 17 Nith Place, Dumfries, DG1 2PL.

Mr. D. Grace, Flat 7, 25 Liskeard Gardens, Blackheath, London SE3 0PE.

Mr. P. G. Stephenson, 34 Church Lane, Kirk Ella, Hull.



CHESS SOLUTIONS

Solution to Position No. 322

1 B-Q5, RxR ch; 2 QxR, QxP; 3 Q-B8 ch, K-R2; 4 N-B5! and if PxN; 5 QxP ch with perpetual check. Short tried 4 . . . B-K1; 5 NxB, Q-Q2; 6 QxB, QxB; 7 N-K6 but conceded a draw a few moves later.

Solution to Problem No. 322

1 Q-B2 (threat 2 Q-Q4), R-Q3; 2 N-N4, or if PxN ch; 2 QxP, or if K-Q3; 2 Q-B5, or if KxN; 2 N-N6.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161. June 2-7 BEJART BALLET. Evgs. 7.30. Reduced price mat. Sat 2.30. June 2, 3, 4 & 5: Petrouchka, The Firebird, Rite of Spring. June 6 & 7: Variations, Don Giovanni, Bolero, Gaite Parisienne.

COLISEUM. Credit cards 240 5258. Reservations 836 3161. ENGLISH NATIONAL OPERA. Tonight 7.30: Fidelio. End of Season. 104 balcony seats avail. from 10 am. Autumn Subscription Bkgs. now open. Ring 01-836 2699 (24 hr service) for brochure.

COVENT GARDEN CC S 240 1066 (Gardencharge credit cards 836 6903). THE ROYAL BALLET. Ton't 7.30: Swan Lake. THE ROYAL OPERA. Mon. and Thur. 7.30: Simon Boccanegra. Wed. 6.00: Tristan und Isolde. 65 Amphi. seats avail. for all perfs. from 10 am on day of perf. COVENT GARDEN CELEBRITY CONCERTS. Tomor. at 8 pm. Elly Ameling. Tkts.: 50p-£8.

GLYNDEBOURNE. 0273 812411 813424 with the London Philharmonic Orchestra. Until August 11. Sold Out—possible returns only. Tonight, Mon. and Fri. 5.30: Die Entfuhrung. Tomor. 4.30. Tues. 5.30: Falstaff. Train departs Victoria 2.52 pm.

SADLER'S WELLS THEATRE. EC1. 837 1672. Evgs. 7.30. Mat. Sat. 2.30. June 2-14 DARPANA INDIAN DANCE COMPANY with Mirnalini Sarabhai.

SADLER'S WELLS THEATRE. EC1. 837 1672. CC 837 3856/7505. Today 2.30 & 7.30. Last Perfs. THE ROYAL BALLET OF FLANDERS. Miniaturen, La Cathedrale Engloutie, Em-Dor, Grand Hotel.

THEATRES

ADELPHI. CC. S. 01-836 7611. Evgs. at 7.30. Sat. 4.00 and 7.45. Mats. Thurs at 3.00. TONY BRITTON, LIZ ROBERTSON, PETER BAYLISS & ANNA NEAGLE in THE WORLD'S GREATEST MUSICAL: MY FAIR LADY. Group bkgs. ring 01-836 7358 or 01-379 6061.

ALBERY. S from 9 am. 01-836 3878. CC. 379 6565. Group Bkgs. 836 3962. Evs. 7.45 mats. Thur. & Sat. 4.0. Air Cond. OLIVER! CHILD FREE with ADULT.

ALDWYCH. S. 836 6404. CC 379 6233 (10-6, Sats. 10-4). Info 836 5332. Fully air conditioned ROYAL SHAKESPEARE COMPANY. Today 2.00 & 7.30 final perfs From Stratford-upon-Avon THE MERRY WIVES OF WINDSOR. "Ravishing, richly detailed production." D. Mail. RSC also at The Warehouse and Piccadilly Theatres. From 5 June low price prevs. THE LIFE AND ADVENTURES OF NICHOLAS NICKLEBY by Charles Dickens.

AMBASSADORS. 01-836 1171. Evgs. 8. Mats. Tues. 2.45. Sats. 5 and 8. MARGARET LOCKWOOD, POLLY JAMES in MOTHER DEAR by Royce Ryton.

APOLLO THEATRE. S. CC. 01-437 2663. Parties 01-379 6061. Mon.-Fri. 8.00. Wed. 3.00. Sats. 5.00 & 8.15. Wed mat. half price. JANE ASHER, MICHAEL GOUGH, PHYLLIS CALVERT in BEFORE THE PARTY by Rodney Ackland Story by W. Somerset Maugham. Directed by TOM CONTI.

ARTS THEATRE. 01-836 2132. Tom Stoppard's DIRTY LINEN. Mon.-Thurs. 8.30. Fri. & Sat. 7.00 & 9.15. NOW IN ITS FOURTH YEAR. Lowest-priced best seats in London. Plus 15p temp-member. Special terms for parties.

ASTORIA. CC. S. 01-734 4291. 01-439 8031. 01-734 4369. Evgs. 01-734 4360. Mon. to Thurs. 8.00. Fri. and Sat. 6.10 and 8.50. TPI TOMBI. 5th GREAT YEAR. Lowest priced musical in the West End. Seats £2, £3, £4, £5. Reduced rate Group Bookings 01-839 3902 (special offers). Last Week—Season definitely closes Sat.

CAMBRIDGE. 01-836 6056. Credit cards accepted. 01-836 7040. Mon. to Fri. 8.00. Thurs. 3.00. Sat. 5.00 and 8.30. VOTED BEST MUSICAL OF THE YEAR IN 1980. 2nd TRIUMPHANT YEAR. CHICAGO. ELIZABETH SEAL, JACQUIE TOYE, COLIN BENNETT, HOPE JACKMAN, BRIAN HEWLETT, G. LYONS. Fantastic party discount for 10 or more. 379 6061. 639 6056. Student Nurses, OAPs Standby £1.50.

CHICHESTER FESTIVAL THEATRE. 0243 781312. Season sponsored by Martini & Rossi Ltd. THE LAST OF MRS. CHEYNEY. Tonight TERRANOVA. Today (m) Evenings 7. Mats. Thurs and Sats. 2.00.

COMEDY THEATRE. CC. 930 2578. Non-Sat. 9.00. Mat. Fri. and Sat. 5.30. THE ROCKY HORROR SHOW. Group sales Box Office 01-379 6061. LAST 16 WEEKS.

CRITERION. 930 3216. CC 379 6565. Wed. and Fri. 8. Opens Thur. 7.30. Subs. Eves 8. Fri. and Sat. 6 and 8.45. With Robin Ray, Jonathan Adams, Martin Connor, Tricia George in TOMFOOLERY the words, music and lyrics of TOM LEHRER.

DUCHESS TH. 01-836 8243. Grp. sales 379 6061. Eves 8.00. Sat. 5.30 & 8.30. Thurs. Mats. 3.00. MARIA AITKEN, MICHAEL JAYSTON in Noel Coward's PRIVATE LIVES.

DUKE OF YORK'S. CC. 836 5122. GLENDA JACKSON ROSE. A new play by Andrew Davies. Eves. 8.00. Mat. Wed. 3.00. Sats. 5.00. Over 100 totally sold out performances.

FORTUNE. S. CC. 01-836 2238. Evgs. 7.30. Wed. 2.30. Sat. 4.00 and 8.00. DR. FAUSTUS. Cast includes JAMES AUBREY and PATRICK MAGEE.

GARRICK. CC. 01-836 4601. Evgs. 8.00 (sharp). Fri. and Sat. 5.30 and 8.30. WILLIAM FRANKLYN in DEATHTRAP.

GLOBE THEATRE. S. CC. 01-437 1592. Group sales 379 6061. Evgs. 8. Mat. Wed. 3. Sats. 5 and 8.15. Beryl Reid, Barry Foster, Peter Bowles, Jan Waters in a new play by Peter Nichols. BORN IN THE GARDENS.

GREENWICH THEATRE. S. CC. 858 7755. Evenings 7.30. Mats. Sat. 2.30. JOHN BULL'S OTHER ISLAND by Bernard Shaw.

HAYMARKET. Theatre Royal. CC. 01-930 9832. Evgs. 7.45. Wed. 2.30. Sat. 4.30 and 8.00. LEONARD ROSSITER, PRUNELLA SCALES in MICHAEL FRAYN'S MAKE AND BREAK. Directed by MICHAEL BLAKEMORE.

HER MAJESTY'S THEATRE. 01-930 6606. Keith Michell, Julia McKenzie, Mark Wynter, Ann Beach in ON THE 20TH CENTURY. Hailed by the Observer as "The Town's Best Musical." Evs. 8.00. Matinees Weds. 3.00. Sat. 4.00. Now Booking Until Christmas (instant credit card bookings 930 6606.

KINGS HEAD. 01-226 1916. ENDS TON'T Dnr. 7. Show 8. QUARTET by Ronald Mavor.

LYRIC HAMMERSMITH CC 01-741 2311. W. End Box Office 110 Charing X Rd. LAST 2 PERFS. TODAY at 5 and 8.15. Noel Coward's HAY FEVER. Cast includes Constance Cummings and John Le Mesurier. From Wed., prevs. Eves. 7.30, opens 10 June at 7. TRAVELLING NORTH by David Williamson. Cast includes Rosemary Leach and Peter Vaughan. LYRIC STUDIO: Eves 8. LIVINGSTONE AND SECHELE, a comedy by David Pownall.

LYRIC THEATRE. CC. 01-437 3686. Grp Sales 379 6601. Evgs. 8.00. Weds. 3.00. Sats. 5.00 and 8.00. RICHARD BRIERS, PAUL EDDINGTON in MIDDLE AGE SPREAD. COMEDY OF THE YEAR. WEST END THEATRE AWARDS.

MAYFAIR THEATRE. S. CC. 01-629 3036. Opens June 2 7.00. Subs. evs. 8.0 until 14 June. First West End season of the globally acclaimed DAMBARIUS.

NATIONAL THEATRE. S. CC. 928 2252. OLIVIER (open stage): Today 2.45 & 7.30. Mon. 7.30 (low price prevs.) SISTERLY FEELINGS new comedy by Alan Ayckbourn. LYTTELTON (proscenium stage): Today 3.00 & 7.45 THE BROWNING VERSION/ HARLEQUINADE double-bill by Terence Rattigan. Mon. 7.45 WHEN WE ARE MARRIED by J. B. Priestly. COTTESLOE (small auditorium—all tkts £3.00. Student standby £1.20): Ton't & Mon 8.00 EARLY DAYS new play by David Storey. Excellent cheap seats from 10 am day of perf all 3 theatres. Car Park. Restaurant 928 2033. Credit card bkgs 928 3052.

OLD VIC. 928 7616. Now Booking May 20-31. Theatermanufaktur Berlin in MURIETA (Neruda) and JOHANN FAUSTUS (Eisler). May 20, 24, 30 7.30pm. June 3-21 STEPS, NOTES & SQUEAKS. Maina Gielgud, Robert Helpmann, Svetlana Beriosova, Anton Dolin. Evgs. 7.30. June 24-July 19 Bristol Old Vic Company. A MIDSUMMER NIGHT'S DREAM.

OPEN AIR REGENT'S PARK. CC. S. 486 2431. MUCH ADO ABOUT NOTHING. Gary Raymond, Annabel Leventon, Bernard Bresslaw. Red. price prevs. Today 2.30 & 7.45.

PALACE. S. CC. 01-437 6834. Mon.-Thurs. 8.00. Fri. Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR. Group sales 01-379 6061. LAST THREE MONTHS.

PALACE. S. CC. 01-437 6834. From Sept. 17. RODGERS & HAMMERSTEIN'S OKLAHOMA!

PALLADIUM. CC. 01-437 7373. YUL BRYNNER in RODGERS AND HAMMERSTEIN'S THE KING AND I. Also starring Virginia McKenna. HOTLINE 01-437 2055. Evs 7.30. Mat. Wed. & Sat 2.45. Some good seats avail for Wed mats. Last months season ends Sept 27.

PICCADILLY. From 8 am 437 4506. CC bkgs. 379 6565. Grp. bkgs. 836 3962. Fully air conditioned. ROYAL SHAKESPEARE COMPANY in two smash-hit productions. Today 4.00 & 8.00. Mon. Tues. 7.30. Hart & Kaufman's ONCE IN A LIFETIME with 3 award winning perfs. from Carmen Du Sautoy, Richard Griffiths and Zoe Wanamaker, and Pam Gems' adult play PIAF (last perf. June 6). PIAF plays Fri. through Wed. alt wks, all other perfs. LIFETIME. RSC also at Aldwych and Warehouse Theatres.

PRINCE EDWARD. CC. 01-437 6877. Evgs 8.00. Mat Thurs. and Sat. 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince. Group sales Box Office 379 6061.

PRINCE OF WALES THEATRE. 930 8681. Credit card bookings 930 0846. An evening with TOMMY STEELE and his Company. Evgs Mon.-Thurs. 8.30. Fri. and Sat. 6.00 and 8.50. Book Now.

QUEEN'S. CC. 01-734 1166. Evenings 8.0. Wed. 3.0. Sat. 4.30 and 8.0. Tom Courtenay, Freddie Jones THE DRESSER. The new play by Ronald Harwood. Directed by Michael Elliott.

RAYMOND REVUEBAR. CC. 01-734 1593. At 7.00, 9.00, 11.00 pm. Opens Suns. PAUL RAYMOND presents THE FESTIVAL OF EROTICA. New Acts, New Girls, New Thrills. 23rd Sensational year. Fully air conditioned.

ARTS/COLLECTING

Pepys' life beyond the Diary

BY JANET MARSH

SAMUEL PEPYS' Diary constitutes one of the most frank and comprehensive literary self-portraits in any language. The penalty is that this well-loved and supremely intimate revelation of the inner man—with Everyman's share of human frailty, vanity, vulnerability to jealousy, vexation, lust and indigestion—often obscures for the popular reader the remarkable stature of Pepys as public figure and man of affairs.

As Secretary for the Navy, he was largely responsible for doubling the size of that service, emancipating it from corruption and abuse, and laying down standards of discipline that stood for the next three centuries. "Truly, sir," declared the Orator of the University of Oxford; "You have encompassed Britain with wooden walls."

As a civil servant, he showed a fearlessness and integrity rare at any time and unique in that age. His campaign against corruption made him powerful enemies, who even succeeded in landing him in The Tower on trumped-up charges. His preparation for great office included wandering around Thames Street to establish the proper priec of tar and oil; "and hope to save the King money by this practise."

A man of insatiable curiosity and fine intellect, he was a friend of Evelyn, Newton, Kneller and Dryden, and President of the Royal Society.

This other Pepys, whom his contemporaries knew, is vividly shown in the important collection of autographs which Christie's auction on June 11. The collection, numbering 600 items, appears to be the major bulk of private correspondence and personal papers that remained in Pepy's hands at the time of his death, along with other documents added by his nephew and literary executor John Jackson; and is, outside the diary itself, the most important source for Pepys' biography.

While the diary covers the period between Pepys' 27th and 36th years (1660-69), these papers go from 1679, when he was 46, to his death in 1703. They remained in the possession of his family for 230 years.

It may have been the third Lord Braybrooke, Pepys' first editor, who assembled them into their present four large quarto Russia-bound volumes, when he was working on the diary in the 1820s.

The volumes were sold for the first time by Sotheby's in April, 1937, after which they passed to the American collector Arthur H. Houghton Jr., who is now disposing of part of his great collection of books and manuscripts. We find Pepys in correspondence with the great men and minds of the day. To John Evelyn he is "My worthy Friend"—the affectionate correspondence between the two great diarists lasted for more than 20 years.

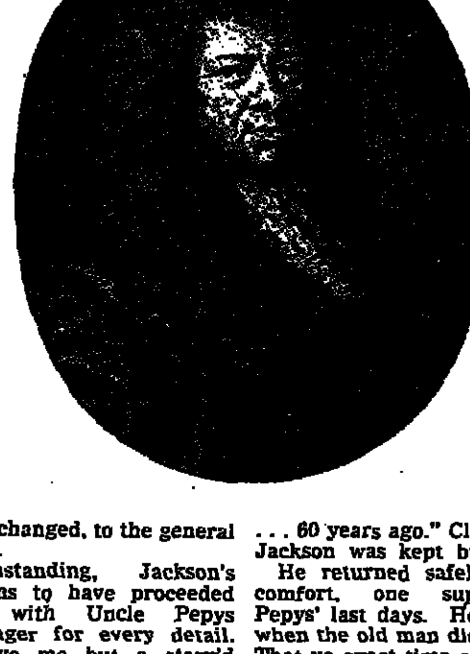
Pepys (who as President of the Royal Society had put his imprimatur on Newton's *Principia)*, corresponds with Newton on the theory of probability as applied to dice, and confesses he finds it a trifle difficult to follow: "Pray bee favourable to my unreadiness in keeping pace with you therin, and give mee one line of further help."

Pepys possessed a passionate curiosity about everything on earth. Many of these documents have already been published; one of the most fascinating of the unpublished ones is a three-page memorandum of "Home-Notes for my selfe to attend, when able." Apart from such homely tasks as mending the clock, adjusting the keys and fixing the vice in the closet, we find him researching for his projected history of the Navy, buying books, presses and "microscopps" and between times looking into such obscure topics as card-making, gold-beating, lamp-blowing, second sight and weaving silk stockings.

About half the correspondence consists of letters which passed between Pepys and Nephew Jackson in the course of the latter's Grand Tour, between October 1699 and August 1701, financed by Pepys. With Pepys' constant advice on where to go and who to visit, and all the practical problems of money and shipping, the correspondence provides perhaps the most vivid picture we possess of a gentleman of the late 17th century on his continental travels.

Posts were slow and hazardous. Pepys generally found it necessary to send two copies of every letter, addressing them to successive destinations in case Jackson had moved on from the first before the mail arrived.

The meticulous Pepys is constantly bothered by the impossibility of receiving and answering letters in proper chronological order; and his problems were compounded, since this was the moment when the English



calendar changed, to the general confusion.

Notwithstanding, Jackson's tour seems to have proceeded happily, with Uncle Pepys always eager for every detail. "You gave me but a starv'd account of your Roman diversions; public ones I mean. For I cannot doubt ye Place's affording variety enough to fill your whole time with those of more private value."

Pepys was not entirely disinterested. He is for ever sending requests for books to be sought and bought: "Captain Hatton . . . tells me of a book of drawings done at Rome about . . . 60 years ago." Clearly young Jackson was kept busy.

He returned safely, to be a comfort, one supposes, to Pepys' last days. He was there when the old man died: "Memo. That ye exact time of my Unkle Pepys Departure was 47 minutes past 3 in ye morng by his Gold watch"—the very watch, no doubt, that had given Pepys such joy when new, 40 years before: "Lord! to see how much of my old folly and childishness hangs on me still that I cannot forbear carrying my watch in my hand to the coach all the afternoon and seeing what o'clock it is one hundred times."

The Houghton Library: guessing game on prices

FT/SOTHEBY

IAN BENNETT

ON JUNE 6, Christie's are selling the second part of the library of Arthur J. Houghton, Jnr., one of the great names in modern book collecting and best known, perhaps, as the owner of what was, until he split it up, the greatest surviving illuminated manuscript of Safavid Persia, the so-called "Houghton" Shahnameh. The library being sold at Christie's (the A-L portion having being sold by the same auctioneers in June, last year) is predominantly of English literature, although the inclusion of one or two specialist items of a different nature gives the group an added dimension. The number of lots totals only 533, making it among the smallest of the great assemblages of printed books and manuscripts sold at auction this century; but for quality, it is second to none, something eloquently demonstrated by the £1.5m paid for the first group.

It is notoriously difficult to estimate the auction values of books; this may seem surprising as they are, essentially, "multiple" objects. However, very great differences in price occur because of what, to the ordinary viewer, seem only very slight differences in condition. Similarly, many early printed books have each edition in several "issues" — indicated, for instance, by differences in the layout and/or wording of the title page, correction of errata, etc. Again, the rarity of one "issue" in relation to the possible commonness of another can also cause great differences in price. Generally speaking, of course, the first edition of a book is more valuable than any subsequent editions, but amongst those subsequent editions, the earliest may not necessarily be the most valuable, for any number of reasons, of which rarity is the most obvious. Thus, the "Third Folio" of Shakespeare's plays, which contains seven plays not previously collected in the folios, is rarer and considerably more valuable than the "Second Folio."

Looking through the estimates for the first Houghton sale, the greatest contradictions between estimate and actual realised price occur, not surprisingly, when books or manuscripts of outstanding rarity or importance are offered. Here, of course, one is dealing often with things which have no precedence on the market, so that the estimates really are a mixture of intuition, experience and guesswork. Thus, a first edition of Sir Francis Bacon's great scientific work, *Instauratio Magna* of 1620, which, on past form, was estimated at £8,000-£10,000, actually made £35,300, being one of the rare group on large paper, and with a special presentation vellum binding stamped with the author's crest in gold.

An even greater rarity was one of the very few remaining copies of Blake's illuminated books likely to come on to the market; this was a copy of *Songs of Innocence and Experience* of 1784-1794; not only are such things of exceptional rarity in any case, but this particular book is one of Blake's very greatest works and one of only three known copies with the final plate, "A Divine Image." Having been sold at Parke Bernet in New York in 1941 for the equivalent of £1,210, it rose in 1979 to £77,000.

This first part of Arthur Houghton's library was particularly rich in outstanding sacred texts, including the extremely rare first issue of the 1549 edition of *The Book of Common Prayer* at £55,000 (est. £12,000-£15,000) and the first edition of the "Authorised" version of the Bible of 1611, one of the greatest monuments of the English language, which made £18,700 against an estimate of £8,000-£12,000.

One lot which definitely took the auctioneers by surprise was a volume containing first editions of Thomas Campion's four books of "Ayres" (1613-1617); Campion is considered to be the first English poet to compose music for his own lyrics and Christie's had suggested this collection was worth between £3,000 and £4,000; in fact, it made £19,800! An even greater rarity was an almost complete copy (lacking only the two blanks) of a Caxton printing, *The Chronicles of England*, of 1480; this made £68,000 against a pre-sale estimate of £35,000-£40,000.

The first part of the famous Houghton Library—one of the great collections of modern times—was sold last year with some remarkable prices being achieved. The second part will come under the hammer next Friday.

Another great surprise was the £22,000 paid for a first edition of *Delia, contayning certayne sonnets* (1592) by the minor Elizabethan lyricist Samuel Daniel; not unreasonably, this had been estimated at £3,000-£4,000. However, the Houghton sale showed that both dealers and collectors are now prepared to pay very high prices for good copies of minor, but rare, Elizabethan and early Jacobean poetry; a few lots after the Daniel, a copy of the first edition (1602) of an interesting anthology edited by Francis Davison, *A Poetical Rapsody*, fetched the quite extraordinary price of £33,000, as opposed to an estimate of £5,000-£6,000; among the several contributors to this volume, including the editor himself, only Donne, Raleigh and Spenser would be known even to the fairly well-read student.

This attraction for the minor literary gems of the 16th and 17th centuries continued with the £26,400 (est. £6,000-£8,000) paid for George Gascoigne's *A Hundredth Sundrie Flowres* in the first edition of 1573, an anthology of translations of classical poets and two translations of Italian plays; one of the latter, *Supposes*, is generally accepted as the earliest comedy in English prose, and the other, *Jocasta*, is the second blank verse tragedy. Gascoigne himself seems to be the subject of a revival, if prices are anything to go by; apart from the book mentioned above, two other volumes of his works, *Posies* of 1575, the second edition of the contents although the first under this title, and the *Whole Workes* of 1587, this being the *third* edition, made £15,400 and £16,500 respectively; each was estimated at £4,000-£6,000.

If fine printed books are difficult to estimate, however, it can be imagined how much harder it is to do the same for manuscripts. Among the chief glories of the Houghton library was a group of maritime manuscript atlases. Two of these were examples of that exceptionally rare type called a "rutter" (derrotero), the charts of sailing routes made by sea-captains in the great days of exploration and discovery; such charts were obviously treated with tremendous secrecy and jealously guarded; in them often lay the key to rich mercantile routes and the capture of a "rutter" was considered as valuable as the gold and silver the ship might also contain. The two fine 17th century Spanish examples sold last June were estimated at £6,000-£8,000 and £8,000-£10,000 respectively but actually made £71,500 each.

However, the greatest shock, in this sale full of shocks, was caused by the two manuscript "Waggoners" by William Hack; these were both copies of the same "rutter" captured from a Spanish ship, the *Nuestra Senora del Rosario* by the English buccaneer Captain Bartholomew Sharp. Not only had they such a romantic history, but they were also by one of the most important marine cartographers of his day, and, indeed, were the only two "Waggoners" by Hack remaining in private hands; against bold estimates of £20,000-£25,000 and £15,000-£20,000 respectively, they made £132,000 and £60,500. Two further Hack items, manuscript copies of his editions of Bartholomew Sharp's journals, embellished with maps and charts, were estimated at £8,000-£10,000 and £6,000-£8,000, but made £49,500 and £66,000. After that, Christie's book experts would be forgiven for feeling a little punch-drunk.

The second part of the library is almost equal in quality, and contains most of the major works one would expect to find in this alphabetical section. What might have been the greatest surprise of the whole libary, however, has been forestalled. Lot 415 is a very fine copy of the Shakespeare 'First Folio' of 1623, the first collected edition of Shakespeare's plays and perhaps the single greatest work of English literature. Despite its greatness, it is not, in fact, particularly rare, over 200 copies being known out of the original print run of 1,000 (the missing 800 or so giving one considerable food for thought). The Christie estimate of £30,000-£40,000 is, in any case, a little modest, since copies were changing hands for over £20,000 a decade or more ago; however, Mr. Houghton must have been delighted to hear that another, and not so fine, copy appeared at auction in Paris on May 20 and fetched an astounding £270,000. The sale of the Houghton copy is certainly going to be the major bibliographical event of this year, and I would not be surprised if a lot of bets were struck as to its eventual price—which, at the moment, is anyone's guess.

For those with a bankering for a few first editions of the great classics of English literature, however, and who do not have a quarter of a million pounds to spend, there are plenty of other things at more modest sums to tempt them. What is described as an 'immaculate' copy—and that is a word not often used in catalogues describing old books—of the first edition (1667) of Milton's *Paradise Lost*, is estimated at £10-£15,000 and, if that is too much, a first edition of *Paradise Regained* — printed with *Samson Agonistes*—is estimated to be worth only a tenth of that price. Or a first edition of Pope's *Miscellaneous Poems and Translations*, a volume which includes the first printing of *The Rape of the Lock*, is estimated at a mere £300-£400.

Against Karpov

CHESS

LEONARD BARDEN

THE WORLD championship candidates semi-final pairings this summer will be Korchnoi (Swtzerland) v. Polugaevsky (USSR) and Portisch (Hungary) v. Hubner (West Germany). Polugaevsky had an easy victory over Tal, 5½-2½, while Korchnoi beat Petrosian 5½-3½, but the other two matches went the distance or more. Hubner knocked out Adorjan 5½-4½ only after the Hungarian missed a simple chance to square the match in the ninth game, while Spassky and Portisch were still level 7—7 after 14 games. The tie-break regulations favoured Portisch because his win was with the black pieces and Spassky's with white. An unsatisfactory solution, but the rules were known in advance and since Portisch's win came in the very first game his opponent had several chances to recover.

Korchnoi defeated Polugaevsky heavily in 1977, yet this match could well be close. Polugaevsky's win over Tal was more convincing than Korchnoi's over Petrosian, and the underestimated Soviet grandmaster is one of the most consistent tournament players in the world. Portisch v. Hubner is as even as could be—both are fine all-round players with suspect temperaments under pressure. None of the candidates looks likely at this stage to be a real danger to Karpov, but for all of them there will be the feeling that this could be their last good chance for the championship. By the time of the next candidates matches in 1983 a younger generation headed by Kasparov, Miles and Seirawan will be approaching the top.

Hubner's early wins against Adorjan were among the most convincing of the quarter-finals. The Pelikan line of the Sicilian Defence where Black advances an early P-K4 is a popular and successful opening, but in this week's game the German uses a simple plan—centre control coupled with advance of an outside passed pawn—which makes Black's entire defence look suspect.

White: R. Hubner (West Germany). Black: A. Adorjan (Hungary).

Opening: Pelikan Sicilian (3rd match game 1980).

1 P-K4, P-QB4; 2 N-KB3, N-QB3; 3 P-Q4, PxP; 4 NxP, N-B3; 5 N-QB3, P-K3; 6 N(4)-N5, P-Q3; 7 B-KB4, P-K4; 8B-N5, P-QR3; 9 N-R3, P-N4; 10 N-Q5, B-K2; 11 BxN.

Two of Adorjan's opponents in last year's interzonal played 11 NxB and lost, so here White prefers the more thematic strategy of exchanging an important defender of Black's Q4 square.

11...BxB; 12 P-QB3, 0-0; 13 N-B2, B-N4; 14 P-QR4, PxP; 15 RxP, P-QR4; 16 B-B4, R-N1; 17 P-QN3, K-R1; 18 0-0, P-B4; 19 PxP, BxP; 20 N(B2)-K3, B-N3?

Black's game deteriorates fast after this error; he should play B-K3 so as to contest Q4 by N-K2 or by Q-Q2-KB2.

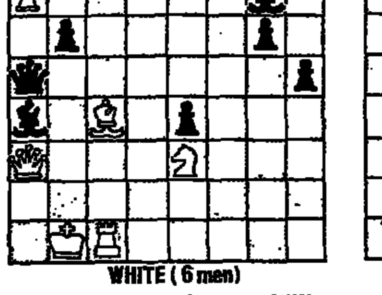
21 B-K2, P-K5; 22 P-QN4, PxP; 23 PxP, R-N2; 24 P-N5, N-K4; 25 Q-Q4, Q-Q2; 26 P-N6, P-R3; 27 R-R2, Q-K3; 28 R-B2, N-Q6; 29 R-B7, R-B2; 30 P-R3, N-B5?

A blunder under pressure, but White's far advanced pawn counts for more than Black's "Steinitz knight" at Q6.

31 NxN, BxN; 32 B-B4, P-Q4; 33 BxP, QxP; 34 QxQ, RxQ; 35 RxR, Resigns.

POSITION No. 322

BLACK (9 men)

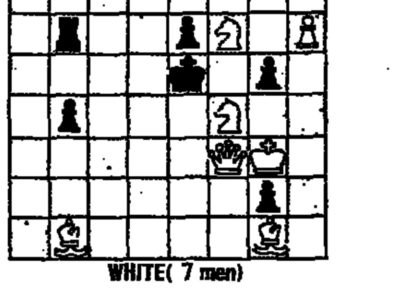


WHITE (6 men)

Miles v. Nigel Short, Phillips and Drew Kings 1980. In retrospect this first round game was a turning-point of the tournament, giving Miles a boost and discouraging his young opponent. White (to move) is three pawns down and looks lost; how did he save himself?

PROBLEM No. 322

BLACK (7 men)



WHITE (7 men)

White mates in two moves, against any defence (by E. J. Tibbs and C. S. Kipping).

SOLUTIONS PAGE 14

Heroic declarer and defence play

BRIDGE

E. P. C. COTTER

One World Olympiad produced some outstanding examples of declarer play and defence. Ron Klinger of Australia won the Bols Brilliancy Prize for his defence on this hand in his match against the U.S.:

N.
♠ 2
♡ 9 5
◇ A Q 10 8 6 3 2
♣ K 8 5

W.
♠ 7 4
♡ K 8 4 3
◇ K 5
♣ A 7 4 3 2

E.
♠ A K J 10 8 6 3
♡ 7
◇ 7 4
♣ J 9 6

S.
♠ Q 9 5
♡ A Q J 10 6 2
◇ J 9
♣ Q 10

West dealt at love all, and after two passes East pre-empted with three spades, and South's overcall of four hearts concluded the brief auction

West led the spade seven, East took his King, and returned his trump. The declarer played well in putting up his Queen—if West ducked, he wanted to have the lead in hand. West, of course, did duck—if he plays the King, the declarer has no further problem. South now ruffed a spade in the table, and returned the club five to his Queen. West won and led another club to the King. The declarer ruffed dummy's last club, and followed with Ace and Knave of hearts. West took with his King—this was essential—and now made the one return to beat the contract. He led the diamond King, forcing dummy to win, and this brilliant manoeuvre destroyed the lines of communication between the North and South hands. If South comes to hand via the diamond Knave to draw the last trump, he is cut off from the diamonds and is left with a losing spade; if he plays two further rounds of diamonds, West makes a ruff.

If at trick four South finesses the club ten, he gets home. He probably should do this, though it is not easy to foresee the necessity for this play. The object is not to gain a trick, but to gain a tempo by earlier entry to his own hand.

In the second example the West player needed nerves of steel:

N.
♠ Q 4
♡ Q 9 2
◇ A K J 8 4
♣ J 9 3

W.
♠ A K 8 2
♡ K 10 7
◇ Q 10 7
♣ K 10 4

E.
♠ 10 9 6 5
♡ A 4 3
◇ 5 3 2
♣ 8 6 2

S.
♠ J 7 3
♡ J 8 6 5
◇ 9 6
♣ A Q 7 5

With neither side vulnerable North dealt and opened the bidding with one diamond. South replied with one no trump, and all passed. West led the spade King, on which East dropped the ten, showing four cards in the suit, but denying the Knave. Seeing the importance, in view of the diamond position, of keeping the declarer from getting into his hand. West continued with a low spade to the Queen. South now led dummy's club Knave and ran it. On this West dropped the ten, and on the nine which came next he threw the four.

Convinced that he had four club tricks in the bag, the declarer played dummy's last club, and finessed the Queen in hand. To his dismay this lost to West's now singleton King. Cashing the Ace of spades, West led another spade to his partner's nine, and dummy discarded one diamond and one heart. Now East made his Ace of hearts—dummy could not unblock the Queen—and continued with the four, which was ducked to the Queen. Now the declarer had to cash two top diamonds and concede the balance of the tricks, going one down.

Full marks to West for his far-seeing conception, but how could the declarer believe that West, Brazil's Gabriel Chagas, would peter with the ten and four of clubs? That would be signalling gone mad!

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Saturday May 31 1980

Missing link in the markets

THE FACT of a particularly uncomfortable recession has been sinking in for some time now, and so when both the National Institute of Economic and Social Research and the Confederation of British Industry produced alarming forecasts on successive days, the stock markets simply persisted in the downward drift which has persisted with little interruption for two solid weeks. This slide is simply a subdued reflection of reality, and requires little comment in itself. However, a recession normally implies falling interest rates; yet not even foreign buying has been able to maintain the momentum of the gilts market. It is in this area that the Government is now being criticised in the City.

The only question about the recession and the profits squeeze is how severe they will be. The National Institute believes that high earnings will limit the drop in activity, but this implies an unprecedented collapse in industrial profits—gross trading profits in its forecast would fall far short of the sums needed to pay bank interest. The truth seems to be that industry is striving to protect its margins by shedding labour and closing down unprofitable activities.

Danger

The CBI talks of a drop of four and a half per cent in industrial output, and a further fall next year, accompanied by a "frightening" level of redundancies. On this reading, based on surveys rather than economic models, the present squeeze will do less damage to productivity and profits, but more damage to output and employment, than previous recessions would suggest. The sour joke in the City is that liquidation accounting is now the only growth industry.

A recession has always, of course, been an inevitable danger of trying to confront inflation purely through a tight monetary policy. If wage bargainers on both sides of the table ignore the threat, as they largely did in the last wage round, the results are inevitable. However, a recession normally also tends to ease the demand for credit—though there may be some delay as companies find production outrunning demand and competition inhibiting planned price increases. As the demand for money eases, its price should fall, as has been illustrated dramatically in the U.S. A growing number of City critics of the Government are arguing that over-caution in Whitehall and Threadneedle Street is preventing a similar adjustment here.

The potential damage can easily be described. High interest rates do not merely impose a direct burden on industry, a very large net borrower from the banking system, but they attract foreign investors and thus drive up the exchange rate. The difficulty for the authorities is that their actions tend to cause the very events which they are trying to prevent. The pressure of high interest rates and a heavy programme of funding force the private sector to borrow more from the banks, and attract the inflows which could potentially inflate the money supply. Already the authorities are having to pump funds raised in the gilts market back into the banking system; they may in the end feel forced to sell sterling in the exchange markets.

It is impossible to be certain, therefore, even after the events, how far a squeeze has been excessive. The Government may well be arguing in months to come that its tight policies were necessary to offset heavy bank lending and foreign inflows; its critics will reply that the borrowing, financed by inflows, was the result of an excessive squeeze. In other words, it is impossible to run monetary policy without making judgments and taking risks. At the moment, the authorities seem readier to take risks at the expense of industry than to take the risk of trying to devise some new methods of funding. What this approach seems to overlook is that the Government is not the only taker of long-term funds. If industry could fund part of its own excessive bank debt, the result in terms of the money supply would be exactly the same as government

Notable success

The issue yesterday of yet another £1bn of 14-year stock at a redemption yield of more than 14 per cent, shows that the Government is not yet ready to listen to its critics. Ministers may well feel that they must secure some success for the other policies now being mobilised to support monetary policy before they dare relax. This has had one result which is bound to be unpopular—a confrontation with the nurses: but Mrs. Thatcher's intransigence also seems to have secured one notable success—the concession on the EEC Budget which will reduce the borrowing requirement and improve the balance of payments at a stroke. It will be ironic if the Government proves better able to face down its allies than to deal with the problems which in part, at least, are caused by its own methods of monetary management.

Photo-montage by Terry Kirk and Phil Thompson

The union leaders embroiled in the Isle of Grain dispute: Mr. Eric Hammond, Mr. John Baldwin, Mr. Frank Earl and Mr. Len Murray.

The GMWU caught in a vice

By JOHN LLOYD, Labour Correspondent

"WE have committed two crimes. We have defended our members' wages and we are determined to stop other unions from doing our members' work. If these are crimes then I plead guilty."

So said Mr. Frank Earl, the national officer of the General and Municipal Workers' Union whose responsibilities include the union's 5,000-6,000 laggers, the skilled men who insulate pipes, boilers and turbines. He was speaking after a meeting of laggers' delegates on Thursday committed the union to call out its more than 500 laggers working on Central Electricity Generating Board construction sites, and its operating power stations.

Mr. Earl is stocky and erect and has been a union official for nearly ten years. Before that he was a CEGB engineer. He has kept his cool and his apparent good cheer in public during the past week. At times he has betrayed some inner weariness. "The laggers are a very small part of my responsibilities," he said in a rueful aside on Thursday. At Tuesday's picket of the Isle of Grain, he looked up at the massive site and called it "my bloody nightmare."

But he has fought his corner. He mounted the first bus bringing workers into the site on Tuesday and forthrightly condemned Mr. John Baldwin of the Amalgamated Union of Engineering Workers' construction section and Mr. Eric Hammond of the Electrical, Electronic, Telecommunication and Plumbing Union, who were leading their troops to work. He has traded insults with them all week. Several times he has identified the CEGB as "the villain of the piece." Yet he knows, as does Mr. David Basnett, his general secretary, that the GMWU is caught in a vice.

Thursday's delegate meeting lasted two-and-a-half hours, and was rough. Many of those attending had been on Tuesday's picket which failed to keep out the workforce from the Isle of Grain: they had been closely hemmed in by police, and forced to watch as bus after bus ground through their lines and through the gates. They wanted their members to be pulled out immediately. Mr. Earl had to work hard to convince them that the TUC should be allowed two weeks in which to sort out the dispute.

The laggers are one side of Mr. Earl's vice: in the two weeks' grace which he snatched from them, he and Mr. Basnett, with Mr. Len Murray, general secretary of the TUC, must work furiously hard to prevent the other side closing upon them.

The remaining craft unions which have members on the Isle of Grain site, and whose members, like the laggers, work on large construction sites up and down the country, have made it clear this week that:—

- They will not allow the high, open-ended bonus rates paid to the laggers to continue, and
- They will not withdraw the replacement laggers—some 25 of them—who are now doing the work of the 27 GMWU men who were dismissed last year.

The other unions said so with varying degrees of enthusiasm.

The Isle of Grain is both the tip of the iceberg, and the key

The hardest line has been taken by Mr. Baldwin and Mr. Hammond: The sheetmetal workers and the boilermakers are reported to be less happy about their members crossing picket lines, while the Transport and General Workers' Union, which organises laggers in Scotland, is in an ambiguous position. But in effect, it comes out on the same side as Mr. Baldwin and Mr. Hammond.

Why are these unions prepared to breach the terms of the 60-year-old Bridlington Agreement, which stipulates that no union shall trespass on the jobs traditionally done by other unions' members, and thus throw the TUC into a crisis of authority and the union movement into turmoil (at a time when it can least afford to be so)? The answer lies in the tangled skein of agreements and pressures within the construction industry, and in particular the posture which the CEGB, the industry's major client, has now adopted.

The Isle of Grain is both the tip of the iceberg, and the key. The massive, £560m, five-unit site is unusual in that the CEGB agreed terms with the main contractors which in effect means that it picks up the wage tab: It thus had a direct interest in ensuring an orderly system of wages and bonus payments.

Last year, it translated its qualms about the efficacy of bonuses paid to the craftsmen on the site into action: its decision to bring the number two unit on stream, and the consequent concentration of labour on the unit, had demonstrated how chaotic the system was. It gave the contractors notice to standardise bonuses.

The bulk of skilled workers are covered by the Mechanical Construction Agreement. The laggers, however, are outside that agreement, working instead on terms agreed between the GMWU and the Thermal Insulation Contractors Association (TICA). The CEGB's initiative worked in the mechanical sector — though not before the scaffolders decided, last August, to test its resolve by staging an unsuccessful strike against the new bonus rates.

It was this action which sparked off the current laggers' dispute. The laggers' branch — the Dagenham 269 branch — demanded that all its members be laid off together instead of in a phased way as scaffolding became unavailable. On the same principle, when the strike ended, they demanded that all started work at once, or none: simultaneously the branch demanded compensation for the period in which the members were laid off.

Further, the insulation contractors could not get agreement from the laggers to accept the terms of the new bonus arrangements. The original lagging contractor, CDN, was dismissed by the CEGB: others either would not tender, or tried to get agreement and failed. It was then, at the beginning of this year, that the CEGB gave notice that units four and five would be taken out of the programme, with the loss of 600 of the site's 2,000 jobs.

This direct experience of job loss, coupled with resentment against the laggers for claiming higher rates, pushed the other craft unions into open opposition. With the backing of their stewards, Mr. Baldwin and Mr. Hammond said they were prepared to see replacement laggers introduced to the site. The Bridlington Agreement had buckled under pressure of redundancies, and inter-union resentment over bonus differentials.

These causes lay behind the angry picketing earlier this week. Though sporadically violent, it was less dramatic than the inevitable foreshortening of television conveyed. The 400 laggers from other sites were forceful, but mostly restrained: the two original laggers who have remained at the heart of the action, Mr. Molcolm Collar and Mr. Phil Kelleher, addressed the incoming workers plainly but without threats or rhetoric

There are wider issues, however, which give an extra turn to the vice in which the GMWU is caught. The problems of low productivity, high costs and long delays are common to big sites everywhere in the UK: and talks have been under way aimed at producing a solution. It is these talks, as much as the Isle of Grain, which are concentrating minds.

The talks have taken in the Engineering Employers Federation, the CEGB, the oil and chemical companies and the unions in the National Engineering Construction Committee whose secretary is Mr. Baldwin. All parties want to supersede the different sets of agreements now governing sites with a national agreement listing comprehensive pay, bonus and condition standards.

There is already substantial agreement among them. The major point at issue, however, is that the laggers are not included. They have concluded separate arrangements with the insulation contractors guaranteeing high bonuses and want them to continue. Mr. Earl has said he will consider a parallel agreement, but one which continues the open-ended bonus system: the other parties see that as more of the same.

But his hand is being forced. Already, the main contractors at the Pembroke/Milford Haven refinery complex are insisting on common standards. The GMWU has refused to agree, but is aware of Mr. Baldwin waiting in the wings, openly ready to supply laggers.

The TUC will now attempt to get to grips with all this before

No-one willingly gives up such a privilege

the two-week ultimatum runs out—yet how much can it do? Its finance and general purposes committee called the mechanical unions, the GMWU, TICA and the CEGB together at the end of March. They all sat in separate rooms in the Great Russell Street headquarters, and when they left, the committee recommended, broadly, that the GMWU retained its open ended bonuses, but that it should attempt to become a party to the national agreement.

Mr Baldwin and the other mechanical unions see nothing in this for them, nor does the CEGB. Far from acceding to the TUC's advice, the clients, contractors and mechanical unions have now formed a monolithic front against the GMWU. Though the CEGB has not officially responded to the threat of strike action in two weeks' time, it is privately unworried by it. This is because:—

- It doubts that laggers on all five sites threatened—the oil-fired stations of Ince and Littlebrook, and the nuclear stations of Dungeness, Hartlepool and Heysham—will obey the call if its comes.
- If they do, it believes that Mr Baldwin will be as good as his word and supply replacements to the sites, while Mr Frank Chapple, the electrician's leader who dominates the National Joint Industrial Council in electricity supply, is hardly less likely to supply replacement labour in the operating plant.
- It believes that the GMWU, though hard pressed by militant laggers, will realise that if it does take strike action, it could lose members' jobs, possibly fo ever.

If this hard-headed analysis is correct, then the GMWU may find itself inexorably driven towards acceptance, in the fairly near future, of inclusion in a national agreement where its members will receive roughly equivalent rates of pay for roughly equivalent outputs.

It will be terribly hard to sell this to its lagger membership. While the union may sweeten the pill by demanding the withdrawal of the trainee laggers belonging to other unions from the Isle of Grain as a quid pro quo (it may be difficult to get even that), such a deal would mean the end of a very advantageous arrangement. No-one willingly gives up such a privilege: the next two weeks will determine whether or not Britain's laggers will regard doing so as making the best of a bad job.

Letters to the Editor

Television ratings

From the Editor,
BBC Television News

Sir,—To be described as "endearingly immodest" by the amusingly arrogant Christopher Dunkley (May 28) is a compliment I accept with rather more grace, I suspect, than that with which it is offered.

Mr. Dunkley appears not to accept my contention that journalists have a pretty good idea of what is going on: clearly, he does not read his own newspaper which is a model of journalistic perception and deduction in the particularly difficult areas of economics and finance.

My point in my article in "The Listener" was, of course, that authority still does not trust journalists, and that my colleagues in BBC Radio News, ITN and IRN also retained journalistic neutrality under the pressure of exceptionally difficult circumstances. Mr. Dunkley's description of Kate Adie's commentary—yes, she obeyed to the letter my instructions not to speculate—is a travesty of the truth. The scores of letters praising her "coolness, accuracy and panic-free reporting" substantially outweigh Mr. Dunkley's flawed memory.

His point about ITN's coverage figuring in the JICTAR ratings is most interesting. BBC Audience Research figures show the BBC2 snooker programme on the evening of Monday, May 5, was being watched by 13m viewers. BBC TV News interrupted that programme with its coverage of the assault on the Iranian embassy, and the audience rose to 14½m. Simultaneously, 7m people were watching the events at Princes Gate on BBC1 (a total of 21½m viewers for the BBC News coverage). Our figures show ITN attracted 6¼m viewers.

Mr. Dunkley should surely be asking why the BBC2 snooker programme did not register in the JICTAR figures, and why the TV News coverage on BBC2—let alone BBC1—did not register in the JICTAR figures.

But then, the methodology of JICTAR ratings, like Mr. Dunkley's writing, passeth all understanding.

Alan Protheroe.
Television Centre,
Wood Lane, W2.

Spirit of Chicago

From Mr. David Powell.

Sir,—The spirit of Chicago lives on: or at least that element of it represented by Sir Keith Joseph. It seems that on the same day that the Secretary of State was telling a U.S. audience that Britain will soon be "on its way again," the chairman of the CBI's crucial Midland Region was warning that "There is a great deal of talk of the Phoenix arising from the ashes: but what if we are left with just the ashes?"

And in his concern he was by no means alone. In the same edition of your paper you report that the Central Statistical Office has revealed an overall fall in output in the first quarter of the year: that Economic Models Limited are predicting that unemployment is likely to remain above the 2m level, and that inflation will average 18.9 per cent throughout the decade: that the chairman of ACAS believes that Britain's poor industrial performance is creating an unfavourable climate for industrial relations: and that, once again, the CBI has revealed a sharp decline in prospects for manufacturing industries.

Which is not to forget The Times headline of last Thursday: "This is the recession": the National Institute of Social and Economic Research's prediction that trading profits in the coming year would total £2.5bn, compared with £8.5bn in "the depressed cycle of 1975": or the Economist Intelligence Unit's forecast (May 24) that Britain will have the lowest growth rate of all major European countries in the next decade.

Now perhaps Sir Keith is privy to information that is not available to the rest of us: to investors concerned with shrinking profit margins: to trade unionists concerned with rising unemployment: to businessmen trying to trade at record interest rates against the current strength of the pound. If so, he should reveal all so we can share in his predicted revival of "thousands of healthy businesses" freed from all forms of government intervention. If not, then it is surely time to recognise the growing contradiction between the facts as everyone else appears to be reading them—and the illusions of the Chicago School. Or is it too late even for that?

David Powell.
30, Cresswell Road,
East Twickenham,
Middlesex.

Glittering prizes

From Mr. David Pease

Sir,—You reported (May 21) the Poetry Society's National Poetry Competition and said: "the Society's competition has become recognised as the major one in Britain." For the sake of accuracy, I must point out that in one particular this is no longer so. The Arvon Foundation Poetry Competition, announced three weeks ago, offers a first prize of £5,000 (compared to the first prize of £1,000 offered by the Poetry Society) and 20 other cash prizes with a total value of £4,500 (compared to the 20 other cash prizes offered by the Poetry Society with a total value of only £1,550).

The Arvon Foundation Poetry Competition, organised in association with The South Bank Show, London Weekend Television, offers the prizewinning competitors the opportunity to take part in a special poetry workshop programme which will form part of the 1980-81 series of The South Bank Show. Three major publishers have agreed to consider a selection of the entries of all outstanding competitors for possible publication. The Observer (which has sponsored the first prize) will publish a selection of the prize-winning poems.

The judges for the Arvon Foundation Poetry Competition are Charles Causley, Seamus Heaney, Ted Hughes and Philip Larkin.

David Pease,
Organiser,
Arvon Foundation Poetry Competition,
Kilnhurst,
Kilnhurst Road,
Todmorden, Lancashire.

Dynamic Servants

From the Pro-Rector,
The Polytechnic of Central London

Sir,—Samuel Brittan's "A new approach to public sector pay" (May 22) has intriguing possibilities as a method of accelerating movement into, through and out of the Civil Service to create a more dynamic (at least in terms of movement of people) Civil Service.

My first reaction on reading it was: "But he has forgotten the effect of union pressure for promotion from within." Since all senior posts must be advertised internally, they are likely to be filled in from internal resources and the existence of vacancies on the labour market will not occur — implying that all senior posts are at least adequately remunerated. Vacancies at lower grades would be notified to replace those who had been promoted leading to a progressive salary compression — the existence of vacancies on the labour market in the lower grades being taken to imply that these grades are being underpaid with the lack of vacancies notified for higher grade posts requiring that salaries in the higher level be frozen.

At first glance this looks like a recipe for disaster with the Service unable to offer any inducement to high flyers or indeed any serious inducement to take on substantial responsibility. If we look at it in terms of a "push model," promotions would go on until everyone was dissatisfied. At this point, however, the model becomes interesting in that an increasing number of senior staff must leave to reap the richer rewards which industry will be then offering for comparable responsibilities. Maintenance of the policy of promotion from within would lead to increasing promotional transition rates all the way down the hierarchy so that the Civil Service — with relatively high initial earnings and relatively high promotion prospects becomes extraordinarily attractive to those who are looking for the opportunity to exercise their talents at an early age in the public sector and then move on, equipped with an understanding of the mechanisms of government and of the feel for problems on a national scale to those areas of industry where this experience and knowledge can most remuneratively be applied.

The long term effects are then, that ministers are being advised by senior Civil Servants with a very direct interest in the world outside their current employment and who are likely to be a good deal younger than those currently close to the corridors of power.

Is this, do you think, what Mr. Brittan is trying to achieve or is this a manpower planner's fantasy?

J. S. Webb.
Red Lion Square, WC1.

Business premises

From R. H. Darlaston

Sir,—In criticising the Government's proposals that rates on empty business premises should be reduced Mr. Adrian Gray (May 23) appears to have overlooked some of the problems which can arise.

I could take him to a small factory to the east of the Pennines which has been empty for almost three years and upon which the owners have been required by the council to pay several thousand pounds in rates. The premises have been widely advertised for sale and the estate agents responsible report plenty of continuing interest. But alas, the same council has repeatedly refused to grant planning permission for light industrial use as they are evidently more concerned to protect the "amenities" of a basically industrial area than to encourage the creation of more jobs in an area of high unemployment.

Meanwhile, vandalism has ensured those offers which are made for the premises are now very much lower than those received soon after vacation by the previous tenants. Thus is the owner penalised twice over—by rates and by vandalism.

R. H. Darlaston.
5, Meadow Close,
Goostrey, Cheshire.

Miles per gallon

From Mr K. E. Dunn

Sir,—The Motoring column of May 24 suggested that petrol expansion in hot weather produces more miles per gallon. This though occurred to me during a recent hot spell but an industrial chemist advised me that this is not so. Heat causes the volume of petrol to increase but, unfortunately, the energy-content of the mass remains constant. This applies equally to the calcium content of a gallon of milk or the therapeutic value of a quantity of medicine.

Any improvement in mpg during hot weather is due to greater efficiency of a carburettor drawing in hotter-than-usual air and other factors such as expansion of air in tyres.

K. E. Dunn.
28 Brorn Drive,
Dean Park,
Renfrew.

هكذا من الأصل

The invisible crash of industrial shares

BY RICHARD LAMBERT, FINANCIAL EDITOR

BENEATH AN apparently unruffled surface, an invisible crash is taking place in share prices on the London Stock Exchange. You would not know about it from the FT-Actuaries All-Share Index, which has measured a rather sedate course over the past 12 months or so. Although the Index has come back a bit in recent weeks under the pressure of poor company news, it is still about 5 per cent higher than it was when the year started, and stands near the level where it traded during the lazy days of last summer.

But in reality the stock market has split itself in two. While share prices of financial, service and oil companies have been moving ahead breezily, the valuation of Britain's manufacturing industry has been knocked down.

Whereas the oil sector has risen by about a half since the beginning of 1979, the index for textile groups has fallen by about a third. In the first five months of 1980, property share prices went up by about a quarter. The merchant banks, hire purchase, discount house, life insurance and shipping groups are very roughly a fifth higher. At the other end of the scale, there have been sizeable falls of the share price indices for household goods, pharmaceutical products, and contracting engineers.

The bizarre stock market valuations which result from these movements point to a fundamental stickness in the national economy. The 45 companies in the property sector, which between them employ rather fewer people than one of the smaller divisions of Guest Keen and Nettlefold, are now valued at something like £3¼bn. This is comparable with the figure for the whole of the mechanical engineering and metals and metal-forming sectors.

London and Scottish Marine Oil Company, which has a grand total of 40 employees in the UK and which only a few years ago was no more than a gleam in its promoters' eyes, is now valued at more than the combined capitalisation of Tube Investments, Vickers, Dunlop, Tootal and Bridon.

A few months ago, some industrialists were prepared to dismiss these trends as one more example of the City's poor judgment. This view is rarely heard today. Rippling through manufacturing industry is what Mr. Christopher Hogg, chairman of Courtaulds, describes as the severest squeeze his company has experienced in the last ten years.

The components of the corporate crunch are well known by now. According to Morgan Guaranty, sterling is nearly a fifth higher than it was a year ago if allowance is made for the UK's relatively high rate of inflation. Mr. Leonard Regan, chairman of Carrington Viyella, says this means that if you were making money on export contracts in January, you are losing on them today.

Very high nominal interest rates are the second ingredient of the problem. Economists point out that after allowing for current rates of inflation, real interest costs are still negative. But this distinction tends to be lost on those industrialists whose businesses are losing money however they measure the figures.

Finally comes the fall in demand, which is already working its way through sectors of the retail trade.

Mr. Regan knows of no "greater recipe for disaster in manufacturing industry than that which exists at present." His own problems are reflected in Carrington Viyella's share price of just 11p. This compares with a net asset backing of over 60p per share.

Earlier this week the National Institute Economic Review forecast that the real profits of industrial and commercial companies in 1980 would fall below the level of the previous low point in 1975. When the contribution of the North Sea oil sector is excluded, the Institute's projections point to a dramatic deterioration in real profits—down to £2.5bn at 1975 prices compared with £9.5bn last year and £8.7bn in 1975.

Companies faced with financial pressures on this scale only have a limited range of options:

- They can cut capital spending—which is just what is happening. A Department of Industry survey published on Thursday projected a 10 per cent fall in the volume of capital spending by manufacturing industry this year, the steepest fall since 1972.
- They can cut working capital: figures released a week ago showed that manufacturers and retailers had reduced their inventory levels by about 2 per cent in the first quarter of this year. But with demand falling off, companies may find it difficult to adjust their stock levels as quickly as they would like.
- They can chop out overhead costs by laying off workers and closing factories, and there is evidence that this has been happening on an increasing scale in recent weeks. But redundancies are expensive in the short term. Courtaulds' profit figures this week included a provision of about £26m after tax against the cost of reorganisation and closures.

It is possible that all these remedies, painful though they are, will not be enough to keep manufacturers in financial shape this year. Forecasts of the overall financial performance of the company sector are subject to a very wide margin of error. But it seems clear that industrial and commercial companies are heading for a very big financial deficit in 1980. The National Institute puts the figure at £10bn, which in real terms would be just about as bad as the out turn in 1974 — a year which many industrialists would prefer to forget.

So a number of companies would dearly love to get their hands on some new equity capital to tide them over the next couple of years. But the main reporting season — which is traditionally when companies tend to announce rights issues —is now almost over, and surprisingly little new capital has been raised this time around. Rights issues in the last three months tot up to around £93m, compared with over £340m in the same period last year. There are at least two possible explanations for this unusual reticence.

One is that the cost of new capital for manufacturing industry, however it is measured, is very high at present. And there is little incentive to subscribe new equity for investment in fixed assets at a time when many share prices stand far below their net asset backing. According to Datastream calculations, the shares of 50 major industrial companies (with a market capitalisation of £20m or more) are currently selling for less than half their asset value.

Another reason is that those companies which most need the money are least able to afford the extra dividend burden which comes with issuing new equity. One unwritten law of rights issues is that the company involved must at least maintain its dividend payments on the increased capital; it should not on any account cut its payment within a year or two of the issue. The City has a hard way with the shares of companies which fail to match this requirement.

So a group with a share price which is very low relative to its dividend payment is in a spot. The chances are that it is losing money in the UK in inflation adjusted terms, and maybe even on the basis of its historic cost figures. That adds to the burden of the dividend payment, since if there is no mainstream corporation tax liability the business is left with an unrelieved bill for advance corporation tax on its dividends.

The result is that a number of companies would be unable to raise much more from their shareholders than they would be obliged to pay back to them that year in dividends.

With this door closed, the one remaining option is to cut the dividend—or drop it altogether. During the period of dividend restraint which ended last summer, directors moved heaven and earth to avoid this indignity. Some of those who did fall by the wayside, as happened at J. Lyons, quickly found themselves on the wrong end of a takeover bid.

Even in the last few months, there have only been a few dividend cuts. But the increase in payments to shareholders by manufacturing companies has tended to lag well behind other stock market sectors and the rate of inflation. Boosted by enormous increases from BP and Shell, dividends paid by the oil sector have more than doubled in the last 12 months, while the increase on the All-Share Index has been about a quarter. This is more than twice the rate of growth in the mechanical engineering sector, and some other groups—such as household goods—have fared even worse.

Companies are now assessing their performance half way through 1980, and some of them are going to decide that their interim payment is going to have to go. British Printing and Borthwick both said as much this week.

The tendency will probably be to keep the options open for the full year's payout. After all, something might turn up—especially if an unwelcome bidder comes along to concentrate management's mind on how generous it can afford to be with shareholders' money. All the same, the stock market is now beginning to discount outright dividend cuts from a number of household names in the manufacturing sector.

The table of company data picks out those companies which are capitalised at £20m or more, and which currently yield as much or more than long dated government bonds on the basis of their last dividend payment. Some important businesses, such as Stone Platt, Duport, Carrington Viyella or Alcan do not appear, either because they have cut their dividend already or because their value has slipped to below £20m.

Unless investors have got things completely wrong, some of these companies will be cutting their dividends over the next 12 months or so. And the overall prospects for dividend growth from manufacturing industry are bleaker than for some years.

However British industry is not going to disappear down the plughole in the next couple of years. The squeeze will probably get worse, but when the turn eventually comes the rebound in what are already quite depressed share prices could be rapid. Meanwhile a number of major companies, like BAT, Unilever or ICI, offer a high yield by past standards and have a dividend paying capacity that—even in these uncertain times—is not really in question.

LEADERS AND LAGGARDS

Per cent changes of sector indices since end-1978

Gold Mines	+ 134.84	Chemicals	+ 4.73
Mining Finance	+ 84.12	Insurance (Composite)	+ 2.51
Oils	+ 48.46	Breweries	+ 1.70
Property	+ 46.63	Wines and Spirits	+ 0.76
Insurance (Life)	+ 40.28	OTHER GROUPS	+ 0.44
Merchant Banks	+ 38.68	INDUSTRIAL GROUP	− 0.03
Food Retailing	+ 28.79	CONSUMER GOODS (DURABLE)	− 2.43
Overseas Traders	+ 25.30	CAPITAL GOODS GROUP	− 2.72
Discount Houses	+ 22.27	Contracting and Construction	− 4.53
Shipping	+ 22.01	Insurance Brokers	− 4.53
Hire Purchase	+ 21.37	Packaging and Paper	− 6.00
FINANCIAL GROUP	+ 18.03	Metal and Metal Forming	− 6.56
CONS. GOODS (NON-DUR.) GROUP	+ 15.54	Food Manufacturing	− 6.83
Newspapers and Publishing	+ 11.69	Tobaccos	− 16.63
Electronics, Radio and TV	+ 11.47	Mechanical Engineering	− 17.14
ALL-SHARE INDEX	+ 10.96	Motors and Distributors	− 19.15
Entertainment & Catering	+ 9.96	Office Equipment	− 21.94
Building Materials	+ 9.71	Engineering Contractors	− 24.26
Electricals	+ 9.44	Pharmaceutical Products	− 27.74
500 SHARE INDEX	+ 7.51	Textiles	− 31.13
Investment Trusts	+ 7.03	Household Goods	− 41.96
Banks	+ 5.14	Toys and Games	− 71.13

THE HIGH YIELDERS

Company	Market (£m) value	Net asset (£m) value	Dividend % yield*	Pre-tax profit under current cost account'g
Renold	23	88	26.1	†
Courtaulds	189	446	18.2	†
Chloride	61	119	18.2	−85%
Coral	50	85	18.0	‡
Grattan	23	53	18.0	†
Turner & Newall	104	218	17.8	−95%
Tootal	45	124	17.6	†
Delta	71	166	17.5	−45%
Glynwed	49	68	17.3	−50%
Rolls-Royce Motors	28	64	16.6	−25%
Birmid Qualcast	24	70	15.9	‡
Assd. Engineering	55	141	15.8	−65%
Wilkinson Match	31	90	15.2	−65%
Tube Investments	142	384	15.2	−50%
Johnson & F.B.	41	82	15.2	†
BSR	25	82	15.0	†
Northern Eng.	57	131	14.5	‡
Bridon	28	89	14.3	†
London & Northern	23	38	14.3	‡
Barrat Dev.	39	74	14.1	‡
Debenhams	95	246	14.1	−70%
Imperial Group	529	781	14.0	−40%

* Based on Thursday's prices.
† Loss.
‡ Not available.

Source: DataStream, Phillips & Drew.

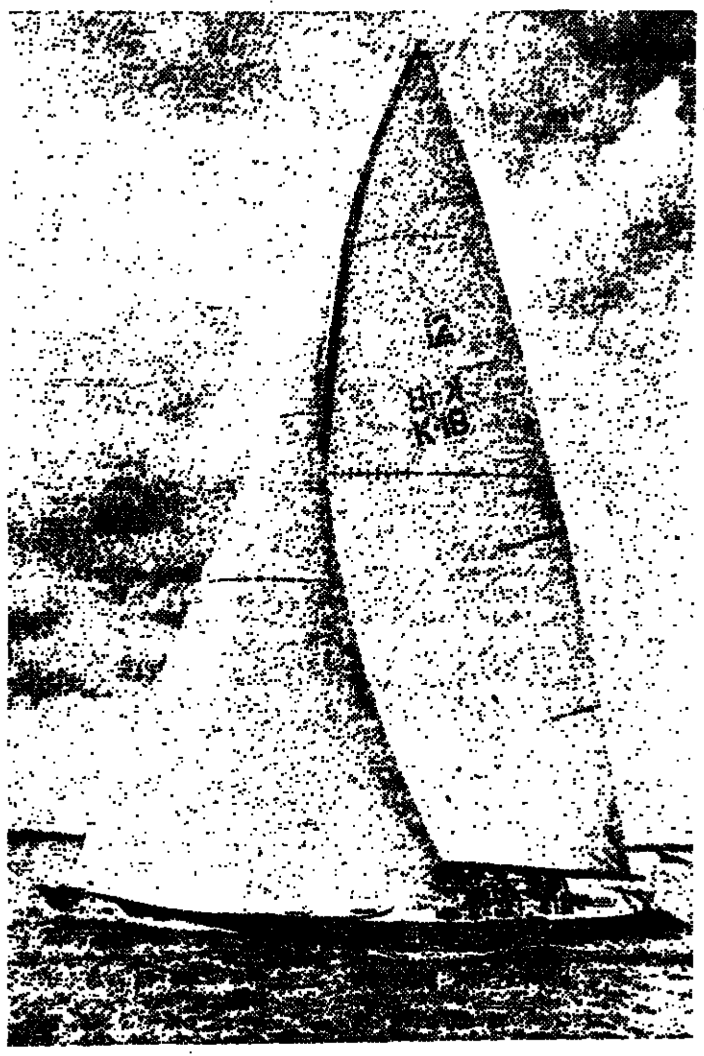
Weekend Brief

Challenger for the 'Auld Mug'

It is 16 years since a wealthy young British industrialist called Tony Boyden took a 12-metre named *Sovereign* to the U.S. and suffered the most humiliating defeat in the America's Cup this century. This summer, that self-same Tony Boyden, 16 years older and, it is to be hoped, wiser, is challenging again. Boyden set out with ambitious plans to involve British industry and the UK yachting fraternity in a project which will have cost close to £1m before it is finished. But although a few companies—Commercial Union and ICI for instance—have chipped in with five-figure sums, the response has been disappointing, and Boyden's efforts have been greeted with what he describes as "quite a lot of cynicism."

The bulk of Britain's yachting fraternity remains in one of two camps—those who dread a repetition of 1964, and wish British yachting in general and Tony Boyden in particular would leave the America's Cup alone: and those with grudging admiration for anyone who will spend so much time, money and energy on a quest to become the 24th unsuccessful challenger for the America's Cup in 129 years.

There is, however, a third view—that 1980 could be the year when Britain wins the "Auld Mug." It is the dream that has inspired Boyden. It is the deeply held conviction of John Oakeley, *Lionheart's* skipper, and his squad of 15 sailors who have taken time out of their lives to devote the whole of this summer and much of last to the backbreaking (and for this writer at least boring) task of crewing a 12-metre.



Britain's America's Cup challenger, Lionheart, with her new, bendy mast, tuning up in the Solent this week. Tomorrow, she starts her journey to Newport, Rhode Island.

Tomorrow, *Lionheart* will be lifted out of the Hamble River on the first stage of her journey to Newport. By the end of June we will begin to have the first real signs of whether she is in with a chance when she enters a series of warm-up races with *Australia*, *Sverige* of Sweden, and *France III*, the latest creation of the redoubtable Baron Bich. In August an elimination series between these four boats will decide which will race against the Americans in mid-September. Boyden and Oakeley know that they *must* win the elimination series if they are to return to this country with their heads up. Nothing less will do.

In John Oakeley, Boyden has chosen one of Britain's most successful and personable yachtsmen. He has won 18 national championships; he has a European and a world championship under his belt; he has represented Britain in the Olympics; he has a distinguished record in offshore racing. Few would argue with Boyden's judgment that there is no other yachtsman in Britain with his all-round record. His crew, however, are a less well-known quantity, and still have a lot of training to do.

The boat, despite a successful first season, has yet to prove herself. Ian Howlett, her designer, is relatively inexperienced, and the design has come in for its share of criticism from a generally carping yachting Press. But this season Oakeley and Howlett have revealed what they see as a major breakthrough in 12-metre design — *Lionheart's* new mast.

Masts are traditionally built to fit more or less bolt upright. A few weeks ago, Oakley started using a new 90-foot mast the top 21 feet of which are made of a new and secret combination of materials (my guess is that it relies heavily on carbon fibre, but that is only a guess). The effect of it is that the top quarter of the mast can be arched backwards to give it a rake of between ten and eleven feet. A gimmick or a dramatic breakthrough in yacht design? We shall see. But Oakeley has spent the first part of his professional life making masts, and the second half making sails, so if anybody is to make such a breakthrough, he is the man to do it.

There appear to be two major objectives. By raking the mast, the whole configuration of mast and sail shape come closer to that of an aeroplane wing, thereby improving lift and therefore windward ability. Secondly, the arched mast increases the area of mainsail that can be hung on it, according to one guestimate by about as much as 20 per cent. If theory works out in practice, the bendy mast will give Oakeley a larger sail in a more efficient shape.

The danger, of course, is that the new mast will throw up more problems than it solves. It has already broken once, and can be realistically expected to do so at least once more as Oakeley and his crew climb its learning curve. Building a well shaped mainsail for a 12-metre is hard enough with a conventional mast. Getting the shape of the sail right will tax all Oakeley's sailmaking abilities.

In the meantime, the mast has spawned a whole new language in *Lionheart's* cockpit. There are 15 different ways of adjusting its shape, including a pair of hydraulically operated mast head diamond shrouds which are critical to the angle and degree of mast bend. It is the first time I have ever heard the command: "Pump up the port diamond."

DAVID PALMER

Soccer's money madness

THE news that Barcelona has made a bid to sign up Brian Clough and Peter Taylor, the top management duo in British soccer, plus Nottingham Forest star Trevor Francis, in a deal thought to be worth anything between £1.3m and the cost of the Apollo moon programme, may or may not come to fruition. But it underlines, once more, the manic inflation of values on the international soccer market.

Not so long ago, Barcelona offered a reputed £3m for the Argentinian teenage star, Diego Maradona. The offer was rejected. But Barcelona has got a lot of money to spend. Yesterday, news filtered in from Madrid of the bid for Brian Clough, and his long-time partner, ePter Taylor, who between them galvanised Forest to a second successive European Cup success with a 1-0 win against Hamburg in Madrid this week.

Francis was Britain's first £1m player when transferred for that sum by Birmingham to

Brian Clough

Forest 15 months ago. Yesterday, the Nottingham chairman, Geoffrey MacPherson, was reported as saying: "A lot of clubs, including Barcelona, have asked about Francis. It's something that could develop." Yet he was said to have discounted the offer of £1.3m as not good enough.

As for Barcelona's determination to include Clough and Taylor in the deal as well, the grapevine was silent. Their contracts at Nottingham are thought to be worth a minimum of at least £35,000 each, plus unspecified perks, and Barcelona are no doubt offering a great deal more.

Clough and Taylor were recently offered new three-year contracts by Forest, which said they were the best in the business, and would receive the rewards they deserved.

In the wake of the £1m transfer of Francis to Forest, cash-starved Chelsea sold Ray Wilkins to Manchester United for £825,000, and Laurie Cunningham was transferred by West Brom to Real Madrid for £900,000. Brushing through the £1m barrier, Wolves sold Steve Daley to Manchester City for £1.45m, and bought Andy Gray from Aston Villa for £1.47m.

What a mad, mad world. In all, the domestic soccer market last summer saw virtually £20m change hands, even though total ground receipts from league matches in the whole of the 1978-79 season, according to the Football League, were less than £29m.

The problem, as viewed by a director of one English First Division club, is that "it is only in football that directors can act like 19th century mill owners." Only a handful of clubs are profitable in any real meaning of the word. Most grounds are desperately in need of renovation. And the game is virtually constipated by conservatism and lack of business sense.

None of which worries Barcelona, which operates in the even more rarified, some would say madcap, atmosphere of the Spanish League.

In any case, in Messrs. Clough and Taylor, Barcelona clearly feels it would be buying what is possibly the most celebrated duo in soccer management history. It is a partnership that has won virtually every prize, although as recently as March, there were some who wondered whether their managerial magic—their ability to convince their players that they are better than they are—was on the wane. Their charisma, it was said, was wearing thin.

They delivered a sharp reply in Madrid this week when Forest once more won the European Cup.

MICHAEL THOMPSON-NOEL

Economic Diary

TODAY: One-day Labour Party conference against Government policy. Mr. Saburo Okita, Japanese Foreign Minister, meets King Hussein of Jordan, Mr. Sharif Abdel-Hamid Sharaf, Prime Minister, and other Jordanian officials in Amman to discuss bilateral economic co-operation.

MONDAY: National Food Survey report on consumption (fourth quarter). Bakers, Food and Allied Workers' annual conference opens, Skegness (to June 4). Post Office Engineering Union conference opens, Blackpool (to June 7). International Materials Handling Exhibition opens, NEC, Birmingham (to June 7). President Valery Giscard d'Estaing of France starts two-day official visit to Finland. Financial Times World Banking two-day conference opens in Singapore. EEC Foreign Ministers start two-day meeting, Brussels. Lord McGregor of Durris, Advertising Standards Authority chairman, speaks at Advertising Association lunch, London. House of Commons starts three-day debate on the Finance Bill, committee stage.

TUESDAY: UK official reserves for May. Capital issues and redemptions during the month of May. Mr. William Whitelaw, Home Secretary, addresses joint conference of Association of Metropolitan Authorities, Association of Chief Police Officers of England, Wales and Northern Ireland, and Association of County Councils, Torquay (to June 5). Mr. Norman Lamont, Energy Parliamentary Secretary, opens Manchester Rotary Club conference on future of nuclear energy in Britain. Lotteries Council launches code of practice. Royal Opera House announces linking of Sadler's Wells Royal Ballet and Barclays Bank International in Far East tour. Ministerial two-day conference of the Organisation on Economic Co-operation and Development opens in Paris. Statement on use and future of Access credit card. Stock Exchange turnover figures.

THURSDAY: Provisional figures of vehicle production for May. UK balance of payments (first quarter). Public inquiry into Italian refinery scheme at Canvey Island. Mr. David Howell, Energy Secretary, speaks on energy policies at London Europe Society lunch, London. European Federation of Management Consultants conference on job creation in the 80s

FRIDAY: Company liquidity survey (first quarter).

LOFs comes back strongly helped by ship owning

FOR THE first time in five years London and Overseas Freighters achieved a surplus on ship operating. This helped the tramp shipping group to stage an overall recovery from £1.9m attributable loss to £3.83m profit in the year to March 31, 1980. The company plans to effectively raise the net dividend from 0.596p to 1.072p.

The group had returned to the black at half time with a profit of £1.9m (loss £1.77m). Ship owning, which had shown a small surplus in the second half of 1978/79, continued its improvement over last year to generate a £258,000 profit compared with a £1.92m loss.

With the surplus on the sale of vessels producing £4.26m (£2.08m) and interest received of £2.43m (£2.04m) the total profit advanced from £2.19m to £6.95m.

Attributable profit was struck after interest payable lower at £2.04m (£2.33m), realised losses on foreign loan repayments at 291,000 (£585,000), a £125,000 (£455,000) share of associates net losses, and minorities of £667,000 (£725,000). Again no tax was payable.

After paying dividends of £861,000 (£500,000) the retained balance came out at £2.97m, compared with a deficit of £2.4m.

Since year-end LOFs has placed an order, currently worth £27m, with Mitsui Engineering and Shipbuilding Company of Japan, for two 55,200 dwt general purpose tankers for delivery in 1982.

The new ships, which will cost in the region of Y7.5bn each, will be paid for as to 40 per cent before delivery and the rest by means of loan at 8½ per cent interest, over the eight years following delivery.

LOFs has already bought sufficient yen to meet 10 per cent of the price and aims to pursue the most favourable opportunities to minimise any future adverse exchange movements.

Additional loan facilities made available by the company's bankers through an option to defer $10.2m of repayments for two years were not taken up. Instead repayments were made on schedule during the year out of group resources.

However, some restructuring of its eurodollar loans, which at the opening of the year comprised $21.4m of total borrowings of £23.29m, has taken place to lengthen repayment periods.

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Chapman Balham recovers

A RECOVERY in the second half at Chapman and Co. (Balham), envelope manufacturer, has left virtually maintained taxable profits for the year ended March 29, 1980, of £880,000 compared with £882,000.

At the halfway stage profits had fallen from £407,625 to £296,246, due entirely to a disappointing performance in the envelope company. The directors said that it would take time for steps taken to rectify this situation to have have significant effect, and that full benefit would not be felt until 1980-81.

There is a year-end tax credit of £58,000, against a £280,000 charge, leaving a net balance well ahead of £938,000 (£602,000).

The dividend is steped up to 5.426p (4.341p) net per 50p share with a final payment of 3.8p.

James Laidlaw upsurge to near £1m

TURNOVER OF Scottish-based Ford motor dealers, James A. Laidlaw (Holdings) increased from £22.4m to £38.4m for 1979. Pre-tax profits of this privately-owned company, in which Noble Grossart Investments has a significant interest, showed an advance to £970,220, compared with £492,108.

Mr. T. M. Robertson, the chairman, says all dealerships and the wholly-owned leasing subsidiary, Clanhire, contributed to overall results, while the first full year's results from the recenty acquired Brentwood dealership were excellent.

The vehicle markets of the early 1980s will be volatile and currently the economic climate makes it difficult to forecast the current year's outcome with any confidence, he states.

However, management accounts for the first four months indicate that operating profits were lower than in the same period of last year.

The chairman says the company is in excellent shape to take advantage of the next upturn in the market, which is unlikely to be before late 1981 or 1982. The company is actively looking for opportunities for further profitable investment.

Erith sales ahead at four months

Sales for the first four months of the current year were ahead of the same period last time. Mr. G. Fisher, chairman of Erith and Co., builders' merchant, told shareholders at the AGM. Gross margins had more than covered inflationary increases in overheads.

The company could look forward to another successful year if the present trading climate continued, he added. Pre-tax profits reached a record £1.66m for 1979.

Rebuilding of the Cricklewood branch was nearly complete and sales were showing a useful increase. A recovery is expected at Ipswich, where E. L. Hunt was acquired last December.

£2.7m improvement for Capital and Counties

REVENUE profits before tax of Capital and Counties Property Company advanced from £4.76m to £7.48m in the year to March 25, 1980 and the directors propose increasing the net dividend from 2.1105p to 3p with a final of 2p.

At the operating level, income rose from £7.42m to £9.39m, with housebuilding profits moving well ahead to £1.55m (£0.69m). Property investment improved to £6.94m (£6.1m), and property trading from £0.66m to £0.91m, and the loss on other activities fell from £32,000 to £5,000.

Net interest charges fell from £1.14m to £0.5m and after tax of £2.79m (£1.63m), stated earnings per 25p share were 6.1p (4.11p). Dividends absorb £2.31m (£1.63m) and minorities nil (£2,000), leaving the retained surplus ahead at £2.38m (£1.5m).

After transfers of past unrealised surpluses and deficiencies realised during the year, capital profits fell from £28.12m to £20.56m, including tax credits of £135,000 (£723,000). The adoption of SSAP 15 has resulted in the elimination of the contingent tax reserve and an increase in after-tax capital profits of £5.44m this time—the 1978/79 result has been restated.

The surplus this time also reflects an increase of £19.2m (20 per cent) in the investment portfolio, based on a year-end valuation.

Net attributable assets rose from £91.31m to £114.25m, or 149p (119p) per share. Earnings per share on the capital account are shown as 26.79p (37p).

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DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Capital and Counties ...	2	July 29	1.41	3	2.11
Chapman Balham	3.8	July 24	2.72	5.43	4.34
Cope Sportswear	0.8	—	0.1	1.0	0.2
Davenport Knitwear ...	4.9	Aug. 21	4.36	4.9	4.36
LOFs	1.07	—	0.59*	1.07	0.59*
Minster Assets	2.3	July 7	2.3	3.9	3.9
Wettern Bros.	3.15	—	3.15	5.21	5.21
Wolverhampton and Dudley ....int	3	June 30	2.5	—	8.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Wettern returns to profit

A RECOVERY in the second half following losses of £117,000 midway enabled Wettern Brothers to turn in taxable profits of £67,000 for 1979. In the previous year, the construction materials group made profits of £291,000, with £50,000 coming in the first six months.

Last October the directors said they expected an acceptable result for the second half.

They now say several group companies recorded above average levels of performance, giving good cause for confidence in their future.

The net total dividend is maintained at 5.2128p, with an unchanged final of 3.1457p. Earnings per 25p share are shown 12.8p lower at 1.7p.

Tax took £37,000 (£46,000), and there were extraordinary debits of £17,000 (£218,000), leaving an available balance of £13,000, compared with £27,000.

Turnover rose from £9.68m to £10.87m.

Mono Concrete reached predicted profit levels despite a poor first half, the directors say. Sales of Monolock paving blocks increased and capacity has been enlarged to provide for further growth. Other products showed satisfactory progress.

Wettern Brothers (Southern) achieved a good result in terms of output and profitability. New ballast processing plant was installed and more equipment will be commissioned in 1980.

Sales fell short of expected levels at Wettern Electric, giving rise to a £215,000 loss. However, there is growing acceptance of its medium voltage jointing system by private and public sector users, the directors say.

M & S £300m store spending

THE BUILDING programme at Marks and Spencer will cost about £300m over the next four years, Lord Sieff of Brimpton, chairman, tells members in his annual review.

During the current year three new stores will be opened, in Harrow, Inverness and Milton Keynes where the group is not represented, and six more in the following two years.

In 1979-80 three stores were opened and there were nine extensions—the Edinburgh store was doubled in size.

The Inland Revenue is contesting claims by the company for capital allowances on expenditure totalling some £12.5m over the last five years on fixtures and equipment.

Provision has not been made for any liability that may arise because the directors have been advised that these claims are justified.

As reported on May 9, a second half increase of £8.18m pushed taxable profits for the year ended March 31, up by 7.5 per cent ot £173.85m (£161.55m) on turnover of £1.67bn (£1.47bn). The net total dividend is increased to 3.4p (2.6087p) with a final of 1.9p.

Lord Sieff says that trading conditions changed greatly during the year. The increase in VAT to 15 per cent, combined with unseasonable summer and autumn weather, reduced the demand for clothing and sales level dropped sharply. He adds that food sales remained buoyant, however.

Commenting on the group's enery conservation campaign, the chairman says that some £2.8m was saved during 1979-80, and while maintaining standards, now uses 30 per cent less energy than it would have.

On a CCA basis historic pre-tax profits are reduced to £161.85m compared with £152.65m.

Balance sheet shows total assets of £830.9m (£795.8m). Current assets stood at £187.4m (£207.6m) and current liabilities were £230.5m (£241m).

The chairman says that £37m was spent on staff benefits, including £22.23m on a new contributory pension scheme, and that £860,000 was donated to charities.

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£0.6m loss at Cope Sportswear

HEAVY closure and restructuring costs and more than doubled interest charges helped plunge Cope Sportswear deeply into the red in 1979.

Following a sharp midway downturn in pre-profit from £285,000 to £58,000 the sports and leisurewear manufacturer forecast a satisfactory second half and, in October, made a £0.53m rights issue to aid expansion.

In the event there was £644,541 loss, against a £91,324 surplus, in the second half leaving a full time deficit of £588,541 compared with £376,324 profit. Interest took £358,236 (£232,701).

Despite the setback the net total dividend is being stepped up to 1p (0.2012p) by a final and although the recession seen in the last quarter has continued into the current year the Board says the benefits of action taken and the company's investment programme should come through in the second six months.

With tax taking £21,556 (£125,873) the stated loss per 5p share reached 4.2p (1.94p earnings).

The closures and restructuring was made in areas of the group which were no longer viable, while the newly acquired companies traded satisfactorily, the directors says.

Sales, which showed a rise over the year of £7.39m to £16.57m, were sharply down in the last three months of 1979 and the company has taken steps to reduce its commitment to labour intensive activities with future development to be concentrated on the retailing operation.

Severe underwriting losses cut Minster Assets to £3.6m

GREATLY INCREASED underwriting losses almost halved 1979 taxable profit at Minster Assets, the investment holding company, from £7.04m to £3.6m—the lowest level for six years. The total dividend is, however, being maintained.

With tax taking £1.6m, against £3.57m, stated earnings per 25p share dipped by 2.19p to 5.41p.

The underwriting account at Minster Assurance, held through the group's main subsidiary Robert Bradford (Holdings), showed a jump in deficit from £2.53m to £7.6m on motor, fire and accident, while marine and aviation underwriting surplus fell from £647,666 to £388,254.

The setback was partly offset by a more than £1m improvement in investment income to £8.76m and lower revenue expenses and write-offs of £984,027 (£1.13m) for the insurance offshoot's contribution to emerge down from £4.6m to £465,633.

This, combined with a marginal fall to £1.25m (£1.32m) in its Lloyd's underwriting agencies, reduced the pre-tax total for Robert Bradford to £3.06m (£6.77m).

Elsewhere Minster Assets investment holding, banking services and issuing house activities were ahead to £682,893 (£340,569) and Bradville produced £257,186 (£139,993).

After minorities of £149,766, against £864,815, and a transfer to the insurance company's investment reserve of £261,056 (£577,265 from reserve) Minster Assets' attributable surplus came out at £1.59m (£3.18m).

An unchanged net final dividend of 2.3p maintains the total at 3.9p. This again absorbs £1.34m, leaving the retained balance at £253,961, compared with £1.84m.

Extraordinary gains of £49,391 (£789,664) were transferred directly to reserve and comprised a £53,281 (£2,354) net profit on selling portfolio investments less a £3,890 (£2,081) reduction in the value of the group's oil exploration interest. The previous year's gain included a £789,391 surplus on the sale of British Midland Airways.

• comment

Tripled general underwriting losses at Minster Assets reflect three main problem areas: UK motor, France and Morocco. The motor lost around £3.6m, with claims increasing at an annualised rate of perhaps 30 per cent. Premium rates will be up again later this year but prospects of a short-term improvement are at best slight. France has seen a competitive market, with Minster experiencing an uncomfortably high ratio. New management has been installed while the Moroccan business is closed and most of the outstanding claims there should be finally settled in the next year or so. For the current year, the bottom line is likely to show only a very modest improvement. After the limited rise in investment income last year, a rise of perhaps a tenth is likely this time round. Activities outside the Minster Insurance group will be hard put to better their 1979 performance. Any recovery in Minster Insurance will be damped down at the earnings level with the French interests holding a 40 per cent stake. The main support for the shares at 41p is the 14.4 per cent yield.

TURNBULL SCOTT

Richdale Shipping, a subsidiary of Turnbull Scott Holdings has sold its only asset for $2.26m cash. The sale is the 10-64ths interest in MV Venetia, a bulk carrier. The group will benefit from the interest on the consideration as this will exceed Rochdale's share of the vessel's current earnings.

Silentnight expansion programme

DESPITE a disappointing year which saw pre-tax profits fall, Silentnight Holdings, manufacturer of mattresses, divans, headboards, upholstery, furniture and components, is continuing its investment and expansion programme.

The directors feel the benefits over the medium-term will far outweigh short-term considerations.

During the year, the bedding division continued to be the mainstay of the business with the return on capital employed continuing at a satisfactory level, Mr. Tom Clarke, chairman, says in his annual report.

The upholstery division was reorganised during the year and is now established into three separate trading companies. But the furniture division was again a disappointment. A complete review of all its activities has been undertaken since the year-end.

The results for the year to February 2, 1980, were published on April 23. They showed a drop in pre-tax profits in the second half of £240,000 to £2.12m. Figures for the full year were £3.97m (£4.11m).

The current cost profit before taxation is down from £3.27m to £2.72m.

Meeting: Manchester, June 24, noon.

Wolverhampton & Dudley rises 17% midway and plans scrip

MIDWAY taxable profits of Wolverhampton and Dudley Breweries have improved by some 17 per cent to £3.9m compared with £3.34m and the directors are proposing a one-for-one scrip issue. Sales in the six months to March 31, 1980 went ahead from £25.87m to £29.83m.

The interim dividend is increased by 0.5p to 3p — last year a total of 8.5p was paid from 12 months' profits of £8.17m.

While he is concerned at the high level of unemployment in the West Midlands and the effect of inflation on costs, Mr. E. J. Thompson, the chairman, sees no reason to alter his stated expectation that the group will make satisfactory progress.

He adds that the capital expenditure programme is continuing according to plan. During the first half, a new public house was opened and many major alterations carried out. Tenders for a further three public house sites were also successful, and the malt intake and storage system and new mash tuns at Park Brewery are now in operation.

After six months' tax of £1.37m (£1.1m) and extraordinary credits of £48,000 (£79,000), arising from the disposal of properties, net profit was £2.58m against £2.32m. Dividends absorb £486,037 (£405,294).

• comment

Like Greenall Whitley, Wolverhampton and Dudley has surprised the market with some excellent interim figures. The shares rose 9p to 348p yesterday and a full-year profit of £9½m would place them on a heady multiple of 12.2—assuming a full tax charge. This is a demanding rating but the group continues to expand volume at well above the industry average and has some leeway to increase prices. An encouraging feature of the performance is the increased trade in managed houses—unusual elsewhere in the industry. Yesterday's figures should be viewed with some caution however. Cost increases were recouped sooner since beer prices went up a month earlier than last year. The group also benefited from some Easter deliveries to the wholesale trade and the tax bite will be higher this year. Furthermore, the bulk of expenditure is moving from capital to current items, which will be charged to the revenue account. The prospective yield is a humble 4.2 per cent.

EARNINGS RISE AT BRUNSWICK

Brunswick Mining and Smelting, the Canadian base metals producer, had first quarter net profits of C$17.4m compared with C$14.2m in the same period last year, the annual meeting was told.

The group is in a strong financial position and is better placed than it was in 1977 to face the downturn in the Canadian economy, Mr. William James, the president said. Canadian base metal producers were generally more favourably placed, he suggested, citing the reduction in metal inventories and the lower Canadian dollar in relation to the U.S. dollar.

Many Canadian mining companies are blessing the lower rate of the Canadian dollar, writes John Soganich from Toronto. The last severe recession — in 1975-76 — experienced by Canadian base metals producers was turned into a depression by what they called a grossly over-valued Canadian dollar.

But now the producers are receiving about 15 per cent more relative to production costs than in the last down cycle.

"This does not spell prosperity but it should allow us to proceed with our plans without undue strain," said Mr. James, who is also executive vice-president of Noranda Mines, the parent company of Brunswick.

The outlook for metal prices over the next year is not rosy, Mr James said. But it is not bleak either.

RICHARDS & WALLINGTON

In the first quarter of the current year Richards and Wallington Industries was restricted severely by the steel strike, but the market place was improving both for crane hire and the distribution companies, Mr. Roy Richards, the chairman, told the annual meeting.

Profitability remained at a low ebb in Europe but returns from the Far East were "extremely promising."

Mr. Richards said 1980 would be a hard year with the company striving to achieve an "acceptable level of profit."

LAGANVALE ESTATE

Laganvale Estate, property investment and developer, is buying at net asset value Godfrey Hood (Properties) together with its wholly-owned subsidiary Cobray Securities.

Agreement has also been reached to acquire the good will of estate agents and property consultants Hugh F. Shaw. Consideration will be satisfied by the issue of 373,332 new ordinary shares.

On completion, Mr. Shaw will join the board.

Airflow £0.5m ahead but warns on current year

A MARKED slowdown in the second half meant that Airflow Streamlines finished the year to February 28, 1980, with taxable profits £539,935 higher at £1.14m after the £416,000 jump to £818,000 midway.

The directors warn that the current year may see a set-back in the company's progress, but they remain confident for the longer-term.

The immediate outlook for the motor industry in the UK and overseas is depressed and this affects the company's prospects. Demand for all products has decreased but every effort is being made to counter this by seeking new outlets based on improved facilities and wider product ranges.

Increased competition is affecting margins in the motor division, but it is being helped by the good supply of a comprehensive range of Ford vehicles.

The directors intend to submit for shareholders' approval proposals for a capitalisation issue in ordinary or, at holders' election, deferred shares. Any new ordinary shares will rank for the final dividend for the 1979/80 year; the deferred shares will not rank for payment for some years.

If the proposals are approved, the directors will recommend a final equivalent to 2.5p per existing 25p ordinary share for ordinary holders who do not elect to receive any deferred shares. If the proposals are not approved, a final of 2p will be recommended.

With the interim of 0.8p, these recommendations would make a total of either 3.3p or 2.8p (2.741p).

Stated earnings per share are up from 9.92p to 16.01p for the period under review, after tax of £267,000, against £40,500. Turnover expanded by £9.86m to £21.65m.

The directors say the manufacturing division improved its results despite the effects of the engineers' strike and reduced demand in the latter half of the second six months. Improved supply enabled the motor division to increase sales and profits, and the contract hire fleet was further expanded.

The manufacturing side invested £710,483 in buildings and plant, including freehold land and buildings, during the year. Motor division invested £1.89m, mainly on increasing the vehicle contract hire fleet. Further capital spending is planned by both divisions in the current year.

Results due next week

British Petroleum, which is to publish first quarter results on Thursday, is expected to show net income of slightly more than £400m of which up to half may be stock profits. The company is suffering from the high cost of replacing Iranian oil and as the year progresses the weakening of product markets could also drag down performance.

Reed International may have touched the crest of its remarkable four-year profit recovery at its March 31, 1980 year end. Preliminary results, to be announced on Tuesday, will probably show pre-tax profit up about 10 per cent to £105m to £107m. Expectations for the current year are for an at least equivalent decline, partly because of the disruption of IPC publications and partly because of the general recession. The increase in the final dividend, which some had hoped would be as much as 60 per cent to 8p net, could be more modest if the group sees very hard times ahead.

Market expectations are for £36m to £38m pre-tax profits when De La Rue makes its preliminary announcement on Tuesday. The top end of that band is favoured, with group earnings helped along by higher interest rates on the group's substantial cash holdings. The previous year saw profits of £26.6m, with a damaging strike at Gateshead, and losses at De La Rue Crosfield holding the group back by possibly £5m. This year has been smoother, with DLR not involved in the recent NGA dispute. On the dividend side, the special distribution last August after lapsing of controls boosted last year's gross total to 22.5p. A gross total of perhaps 30p for 1979-80 can be looked for.

Plantation and trading giant Harrisons and Crosfield's preliminary results appear on Tuesday and analysts have raised their profit forecast to £62-£63m from the earlier £60m. Apart from higher profits from 80.5 per cent owned Harrisons Malaysian Estates, which has benefited from buoyant commodity prices for rubber, palm oil and cocoa, the 1979 results will also include a significant contribution from the 45.9 per cent owned London Sumatra Plantations, whose results are consolidated into the group's figures for the first time.

The dividends are expected to show a 15 per cent improvement over the preceding year's, indicating a likely payment of 27.5p net per share.

Also due next week are preliminary results from Armitage Shanks and interim figures from Marley, MEPC, Comet Radiovision, and Thomas W. Ward. Morgan Crucible is to publish first quarter figures.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Allied Leather Industries	Wednesday	1.5075	2.68	1.75
Anglo-Indonesian Corporation	Friday	—	3.025	—
Armitage Shanks Group	Wednesday	1.3266	2.13	1.60
Atkins Brothers (Hosiery)	Tuesday	1.375	2.727	1.75
Beales (John) Associated Companies	Friday	1.4255a	1.8196	—
Bilton (Percy)	Monday	2.26125	4.63584	2.5
Bishop's Stores	Friday	1.27815	1.61044‖	2.0
British and American Film Holdings	Thursday	—	2.09727	1.0
Century Oils	Monday	0.605	2.4029	0.8
Channel Tunnel	Monday	—	—	—
Cullens Stores	Thursday	1.34h	3	1.4‖
Culter Guard Bridge	Thursday	—	1.5	—
De La Rue	Tuesday	4.00497b	7.467	10.8†
East Midland Press	Monday	0.86919c	0.88919	1.0
Eva Industries	Wednesday	2.4	2.96	2.4
Fobel International	Friday	0.845	1.155	0.94
Francis Parker	Friday	—	—	—
Gates (Frank G.)	Monday	—	1.275	—
Harrisons and Crosfield	Tuesday	6.5	17.53	7.5
Leigh Interests	Thursday	1.45	2.905	1.76d
Marlborough Property Holdings	Monday	—	0.2814	—
Mountview Estates	Wednesday	0.5	1.0	0.7
Oceana Dev. Inv.	Wednesday	—	0.67	—
Parkland Textile (Holdings)	Tuesday	1.44659	1.77778‡	1.6796e
Pegler-Hattersley	Thursday	3.55	5.031	4.0
Plysu	Thursday	0.3393	0.60725	0.5786
Reed International	Tuesday	3.0	5.0	4.0
Scotcros	Tuesday	0.9419f	2.7154	1.96
Sketchley	Tuesday	2.2	3.294	2.8
Standard Fireworks	Wednesday	—	5.5	—
Time Products	Wednesday	0.16887	1.67357	0.45
Transparent Paper	Tuesday	1.879	3.631	1.9635
Triefus and Co.	Friday	2.76765	1.97	0.75
Henry Wigfall	Thursday	3.0	10.5	3.0
INTERIM DIVIDENDS				
Brooke Tool Engineering	Thursday	1.21	1.6775	
Camford Engineering	Wednesday	3.70454	6.45454	
Carrs Milling	Wednesday	1.0	2.5	
Comet Radiovision	Wednesday	1.26667	2.23333	
Albert Fisher	Wednesday	—	0.3125	
Hickson and Welch	Thursday	2.5‖	5.0	
Marley	Monday	1.5	2.5	
Martin The Newsagent	Monday	3.2639	5.2361	
McCorquodale	Wednesday	2.64	4.87	
M.E.P.C.	Tuesday	1.5	3.5	
Pleasurama	Thursday	0.825	4.0	
Ward (Thomas W.)	Tuesday	2.09375	4.1125	
INTERIM FIGURES				

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes special dividend due to the relaxation in dividend restrictions. ‡ Second interims. ‖ Includes second interims. The following are compensating dividends included to allow for the change in the tax rate. a 0.0255. b 0.09697. c 0.01737. d 0.13. e 0.0796. f 0.0368. g 0.0186. h 0.67.

BIDS AND DEALS

NCB pensions investing $17m in Canada

The National Coal Board pension funs have agreed to spend C$17.15m on buying 1m shares in a quoted Canadian oil and gas company, Canadian Natural Resources.

Mr. Hugh Jenkins, director general of the pension funds will be joining the board which already has one UK representative, Mr. Angus Grossart of Noble Grossart, which arranged the placing.

CNR, which has a market capitalisation of around C$200m, has oil and gas reserves claimed to have an undiscounted value of C$1.5bn at the year-end.

Mr. Jenkins, who has been directing a major programme of investment in the U.S. for the funds, said that he was "keenly interested in the development of energy resources and welcomed the opportunity to provide equity capital to CNR in connection with the development of its oil and gas reserves in Canada and the even larger reserves in the U.S."

CNR is also offering 800,000 shares to the general public at a price which will provide net proceeds of C$13.85m. Together with the NCB purchase the proceeds will be used to reduce bank borrowings and to help fund the development programme.

82% ACCEPTANCE FOR MARSH OFFER

The increased £240m bid by U.S. insurance broker Marsh and McLennan for C. T. Bowring has been accepted by 82 per cent of the UK group's shareholders.

The offers for the ordinary and preference shares have now gone unconditional. Acceptances for the preference stock totalled 85.5 per cent.

Acceptances have been also received for £19.13m of the 10 per cent convertible unsecured loan stock 1987 of Bowring, representing 78.4 per cent and for £469,757 of the 5 per cent convertible unsecured loan stock 1981, representing 52.5 per cent.

The 10 per cent convertible stock offer has therefore become unconditional as to acceptances but will lapse if the 10 per cent convertible stock proposal is approved.

Meetings of the holders of the 10 per cent convertible and 5 per cent convertible to consider the proposals have been adjourned to June 5. The offers remain conditional on the approval of these proposals among other things.

The offers have been extended to June 12.

GRAND MET EXTENDS

More than 87 per cent of the shares of the U.S. tobacco and drinks group, LIGGETT, had been tendered to GRAND METROPOLITAN when the UK company's tender offer expired on Thursday night.

Grand Metropolitan has extened its $570m offer for all Liggett shares until June 2.

SKETCHLEY BUYS OUT MINORITY

Sketchley, the industrial workwear rental dry cleaning and textile finishing group, has acquired the outstanding 49 per cent minority interest in Greaseaters of Colchester, Essex, for £50,000 cash.

Greaseaters supplies and services degreasing equipment for components used in garages and engineering companies. It also distributes power washers and associated tools and chemicals and operates from some 26 depots throughout the U.K.

TARMAC

Plascom, a subsidiary of Tarmac, has transferred its entire holding of 240,000 ordinary shares in Viking Oil to another subsidiary of Tarmac, Holland Hannen and Cubitts (Investments) at £12.00 per share.

Plascom had irrevocably undertaken to accept the offer by Morgan Grenfell on behalf of Sun Oil Company (UK) in respect of these shares. Holland Hannen has entered into a similar irrevocable undertaking in place of Plascom.

ASPREY PLACING COMPLETED

Placing of the remaining 29 per cent of ordinary shares in Asprey and Co. bought by Morgan Grenfell, following an abortive joint bid for the Bond Street jeweller by Alfred Dunhill and a Dubai businessman, has been completed.

The 115,202 shares have been taken up predominantly by some 370 private investors, although institutions have been allocated a small percentage.

Members of Asprey's staff and an employee trust being set up by the company are taking 1.373 per cent, and Morgan Grenfell is retaining 1.5 per cent for its own account. Because of the large number of new shareholders, a market is expected to develop in the Stock Exchange unlisted securities market under Rule 163 (2).

Mr. John Asprey, the chairman, his immediate family and related trusts retain 51 per cent of the issued share capital, and the balance of 20 per cent is held by Sears Holdings.

FCI EXERCISES ALCAN (UK) OPTION

Finance Corporation for Industry has exercised its option to subscribe in cash at par for 1.5m ordinary £1 shares in Alcan Aluminium (UK).

The option was granted as part of the financing arrangements for Alcan UK made in 1969.

Upon allotment of the new shares the ordinary capital of Alcan UK will be increased to 45,763,256 shares.

BRITISH SYPHON ACQUIRES CUD

British Syphon Industries has acquired the whole of the capital of C.U.D. for £303,600.

Based in Leicester, with branches in Leeds and Bolton, CUD is involved in the manufacture of car number plates and signs, in metals and plastics, and in silk screen printing.

The directors of British Syphon say that when the existing plastics fabrication activities of the group are added to CUD, the whole will form an operation with a turnover in excess of £2m, and will make a significant contribution to group profits.

The consideration has been satisfied by the issue of 565,060 British Syphon ordinary shares, of which 405,060 have been placed principally with institutional investors.

On basis of accounts for year ended March 31, 1980 and following the capitalisation of £115,000 of loans prior to completion, net tangible assets of CUD are £313,000. Pre-tax profits for the March 31, year-end were £88,000 before interest of £17,000 on the capitalised loans.

McCORQUODALE

McCorquodale and Co. has acquired the 28 per cent of Multicolor (London) not already owned, satisfied by the issue of 28,834 fully paid ordinary shares of 50p.

NO PROBES

The following proposed mergers are not to be referred to the Monopolies Commission: Beecham Group and Bovril; Cargill Inc. and Sun Valley Poultry.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Gasco Investments failed to raise the finance necessary for a full £7m bid for **Saint Piran**, required by the Takeover Panel, and has laid itself open to possible disciplinary action by that body whose code states that shareholders who buy enough shares to trigger a mandatory bid must make sure they can push such an offer into effect.

Rowe and Pitman, acting on behalf of **Charter Consolidated**, mounted yet another market raid and acquired 10m shares in **Anderson Strathclyde**, the Glasgow mining equipment manufacturer, at 82p each, thereby increasing Charter's stake in the company to 28.4 per cent. Charter emphasised that it has no intention of enlarging its stake, which cost £9.2m, and regards Anderson as an addition to its industrial interests.

Sears Holdings bought a 20 per cent stake in **Asprey**, the Bond Street jeweller. The purchase, welcomed by the Asprey Board, is part of the disposal by Morgan Grenfell of 53 per cent of the Asprey equity. Sears had been interested in Asprey since Alfred Dunhill and a Dubai businessman launched a joint bid for Asprey last month. The £28.50 a share Dunhill bid was made possible by a series of bitter conflicts within the Asprey family. However, Morgan Grenfell, working with Mr. John Asprey, made a £35 per share counterbid and Dunhill sold its 37 per cent stake in Asprey to Morgan Grenfell for a profit of almost £1m on Tuesday.

Mr. David Thomson, chairman of **Thomson T-Line Caravans**, the loss-making caravan manufacturer and supplier, asked merchant bankers Kleinwort Benson to find a purchaser for his, and his family's, shares in the company. The total number of shares involved is 990,000, representing around 60 per cent of the Thomson equity. If the sale goes through, the purchaser will be asked to extend the same terms to all other shareholders.

KCA Offshore Drilling, the newly established offshore drilling subsidiary of **KCA International**, is buying a drillship from a Dutch shipyard for $40m.

Diversified industrial concern, **Thomas Tilling**, added to its recent string of U.S. acquisitions with the $18.5m (nearly £8m) purchase of **Badger Northland**, a former Massey-Ferguson subsidiary, which makes farm equipment.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
	Prices in pence unless otherwise indicated.					
Assam Inv.¶¶	150*§	149	148	4.23	Inchcape	—
Barget	12*‡	16	18	8.56	Tinnox	—
Bishopsgate Prop.	5*§	5	5	0.36	Bkly.Hambro	30/5
Bowring (C. T.)	169§§	162	153	185.0	Marsh and McLennan	12/6
British Sugar	192½§§	200	202	115.5	Berisford (S. & W.)	—
Christy Bros.	30*	30	33	0.60	Simon & Coates	—
City & Intl. Tst.	137½	124	127	18.79	Guthrie	—
Cray Elect.	31*§	36	34	0.93	Thrgmtn. Tst.	—
Doloi Tea	270*	275	275	0.29	Tategold	—
Ewer (George)	52½§§§	51½	51½	6.50	Cowie (T.)	—
Gibbs (A.)	85*§	83	82	9.80	HK & Shanghai Bank	—
Hoffnung (S.)¶¶	88*	87	74½	15.51	Burns Philp	—
Keyser Ullmann	84*	72	70††	43.15	Chrtrhse. Grp.	—
Lidstone	280*	360	290	0.51	Greewalk Nominees	—
L.K. Industrial Invs.¶¶	16½*	18	16	0.20	Capara Invs.	—
Lond. & Prvncl. Poster	500*§	470	287††	9.12	Reed Intl.	—
Maple¶¶	35§§	34½	27½	9.77	Waring & Gillow	—
Nationwide Leisure	6*§	6	9	0.66	Rantlodge	—
Status Discount¶¶	49	49	69††	19.60	MFI	—
Steaua Romana	10*	—	7	0.25	Eng. Assoc.	—
Turner (W. & E.)	87½*	85	48††	9.07	J. Hepworth	—
Viking Oil	300*✝	£13½	810	—	Deminex	—
Viking Oil	625*✝	£13½	910††	—	Sun Co.	—
Viking Oil	450*✝	£13½	£10	—	Hunt Int. Petroleum	—
Wilson Bros.	35½§§	32	21	4.09	Fine Art Dvs.	16/6

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 30/5/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ✝ Plus royalties.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Advance Lndries.	Dec.	4,480	(3,660)	10.0	(7.5)	2.6	(2.07)†
Ansbacher (Hnry)	Mar.	814	(406)	0.77	(0.54)	0.15	(0.15)
Barlows	Dec.	30	(46)	6.3	(9.2)	4.0	(7.86)
Beechams	Mar.	136,800	(144,000)	12.4	(13.2)	6.13	(5.13)
Brunning Group	Mar.	552	(768)	9.1	(16.5)	4.03	(3.85)
Buckley Brewery	Mar.	1,022	(808)	5.7	(5.0)	2.35	(1.98)
Capper Neill	Mar.	5,080	(5,540)	14.47	(18.28)	4.2	(3.18)
Coalite	Mar.	20,530	(17,810)	19.93	(16.15)	3.85	(3.07)
Courtaulds	Mar.	68,100	(64,000)	14.20	(13.36)	8.56	(8.36)
Dunhill (Alfred)	Mar.	6,470	(10,760)	51.4	(61.9)	11.99	(9.99)
Exchange Tlgrph.	Mar.	3,110	(2,560)	18.4	(16.8)	7.0	(6.05)
Headland Sims	Jan.	389	(428)	6.82	(9.91)	2.16	(1.36)
Hill (Philip)	Mar.	8,490	(6,790)	5.97	(4.61)	5.5	(4.57)
Jackson Group	Dec.	674	(435)	26.3	(17.0)	4.2	(3.63)
London Sumatra	Dec.	9,820	(8,930)	35.45	(29.91)	8.0	(6.0)
Normand Electrcl.	Mar.	1,300	(1,030)	10.9	(6.4)	3.0	(2.53)
Panto	Dec.	232L	(103)	—	(1.57)	—	(1.6)
Pickles (W.)	Dec.	102L	(417)	—	(0.9)	—	(0.4)
Sangers	Feb.	1,120	(2,170)	13.23	(21.82)	6.38	(6.38)
U.B.M.	Feb.	12,240	(6,010)	14.0	(8.7)	5.5	(4.73)
Viners	Dec.	105L	(171)	—	(1.21)	—	(1.0)
Warren Plantns.	Dec.	6,790	(990)	32.79	(30.92)	10.0	(8.25)
Youngs Brewery	Mar.	1,550	(1,650)	4.3	(3.52)	4.3	(3.52)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Assoc. Sprayers	Feb.	215	(187)	0.5	(0.5)
Bass	Apr.	50,100	(44,300)	2.3	(2.1)
Bertrams	Mar.	48L	(78)	—	(1.0)
Borthwick (Thos)	Mar.	990L	(640)	—	(3.4)
Caravans Intl.	Feb.	302L	(283)	—	(2.42)
Causton (Sir J.)	Mar.	502	(351)	0.783	(1.119)
Greenall Whitley	Mar.	8,290	(6,610)	3.0	(1.530)
Hays Wharf	Mar.	2,990	(2,260)	2.58	(1.72)
How'd & Wyndhm	Dec.	105	(332)	—	(0.34)
I.C.L.	Mar.	20,500	(18,600)	0.95	(0.875)
Kelsey	Mar.	1,630	(908)	2.5	(1.5)
North Br. Steel	Apr.	105	(14)	0.66	(0.66)
Phoenix	Mar.	6,700a	(5,200)a	—	(—)
Spring Grove	Mar.	1,640	(1,300)	1.5	(—)
Stag Lines ...	Apr.	121L	(483)L	—	(—)
Tate & Lyle	Mar.	16,400	(10,800)	4.0	(2.5)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated.
† Correction. a First quarter only. L Loss.

Rights Issues

Brown and Jackson—3.33 million shares at 115p a share on the basis of one for every three held to raise £3.8m.

Offers for sale, placings & introductions

Lloyds and Scottish—Placing of 10.95m shares with its two main shareholders, Lloyds Bank and Royal Bank of Scotland, to raise £13.8m. The two banks are to offer 2.4m of the new shares at 126p to other shareholders on a one for 10 basis.

Westland/Utrecht Hypotheekbank—Bearer depositary receipts of the largest Dutch mortgage bank were introduced to The Stock Exchange on Thursday.

CORAL INDEX: Close 414-419 (−1)

APPOINTMENTS

Dunlop world wide tyre director

Mr. G. R. Shearer, has been appointed director, tyre manufacturing, for the DUNLOP GROUP worldwide from June 1. He is succeeded as director of Dunlop's tyre technical division by Mr. S. van der Burg.

★

Mr. Martin Morgan has been appointed a publishing director of IPC TRANSPORT PRESS and

Mr. M. Morgan

has joined the Board of that company. He was formerly a publisher at IPC Consumer Industries Press.

★

Sir Jasper Hollom, has been appointed chairman of COMMONWEALTH DEVELOPMENT FINANCE COMPANY from June 1.

★

SOGEMIN (METALS) has made Mr. Ken A Easdale, Mr. Robert W. Kelly and M. Jean Dachy (Belgium) directors.

Mr. G. A. Gilhespy, at present on secondment to The Joint Credit Card Company as director and chief executive, is returning to MIDLAND BANK as a general manager, domestic banking on June 1. Mr. Gilhespy will assume the duties in corporate finance division of Mr. A. R. Holmes, who is due to retire later in the year.

★

Following the annual meeting of the PRUDENTIAL CORPORATION, Lord Carr of Hadley has become chairman in place of Mr. Ronald Owen. Mr. Geoffrey Haslam has been elected a director, and becomes a deputy chairman. Mr. James Ramsden remains a deputy chairman.

★

THE CHELSEA BUILDING SOCIETY has appointed Mr. Alastair R. McIndoe as chairman. He succeeds Mr. Robin E. Goodfellow, who will continue to serve as a member of the Board. Mr. Clifford Hale has been appointed to succeed Mr. McIndoe as vice-chairman.

★

Mr. Allan Parsenage has been appointed director of production and personnel for BRITAX WEATHERSHIELDS a part of the BSG International Group.

★

Mr. Dudley E. Miller has been elected vice president and general counsel for OCCIDENTAL PETROLEUM CORPORATION.

★

Mr. Brian Bouchier, COMAG'S sales director, has become deputy managing director. Mr. Roger Medler has been made financial director and company secretary from his previous position as financial controller. Mr. W. S. Jackson, director and company secretary, has become joint deputy chairman.

★

Mr. John Mead has been appointed a director of CR INDUSTRIAL PRODUCTS of Coventry's (a subsidiary of Chicago Rawhide Inc.).

★

Mr. E. W. Cook has been appointed an additional director of the ARBUTHNOT LATHAM HOLDINGS.

★

Mr. P. J. Jevons has been appointed a director of E. F. HUTTON AND CO. (LONDON), the London subsidiary of E. F. Hutton and Co. Inc., New York.

★

Mr. Manfred Durst, managing director of London manufacturing jewellers Fred Manshaw, has become president of THE BRITISH JEWELLERY AND GIFTWARE FEDERATION.

★

Mr. Terry Slater has been appointed A. and R. director, EMI RECORDS (UK).

★

Mr. James Kelsey, managing director of Ford and Slater Facilities for the past two years, has been appointed to the main Board of FORD AND SLATER GROUP, the Leicester based truck distributors.

Low and Bonar senior post

Mr. Dermot de Trafford, who has been a director of THE LOW AND BONAR GROUP since 1977, has been appointed deputy chairman of the Group. Mr. Brian Lewis, a director of the Group's merchant bank, Robert Fleming and Co., has been appointed to the Low and Bonar Board as a non-executive director.

★

Mr. Derek L. W. Holloway, sales manager, has been appointed a director of BSA METAL POWDERS, a Manganese Bronze subsidiary.

SPAIN May 30	Price %	+ or −
Banco Bilbao	210	
Banco Central	238	
Banco Exterior	210	
Banco Hispano	209	
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	257	
Banco Urquijo	150	
Banco Vizcaya	219	
Banco Zaragoza	200	
Dragados	82	−2
Espanola Zinc	61	+1
Fecsa	61.2	
Gal. Preciados	26.5	+0.5
Hidrola	66.5	
Iberduero	61.5	−0.2
Petroleos	114	+3
Petroliber	61	+2
Sogefisa	107	
Telefonica	54	+0.5
Union Elect.	67	−1.5

WORLD STOCK MARKETS

Above the worst on Wall St.

THE DECLINE continued on Wall Street yesterday, but at a slower pace, after the Commerce Department confirmed that the Index of Leading Economic Indicators fell a record 4.5 per cent in April after a revised 2.1 per cent fall in March.

After opening another 7.77 down at 838.45, the Dow Jones Industrial Average partially recovered to 844.34, for a net loss of 1.71 on the day and 9.56 on the holiday shortened week. The NYSE All Common Index, at $62.90, shed 7 cents on the day and 15 cents on the week. Declines led advances by a seven-to-five majority, while the trading volume decreased 4.44m shares to 24.02m compared with 1 pm Thursday.

Stock prices, which fell sharply Thursday afternoon on a report that economists predicted a sharp decline in the U.S. Index of Leading Economic Indicators, continued their drop after those expectations were confirmed yesterday morning.

But analysts said the sharp drop in the Indicators and signs of a steep recession hold some promise of a big drop in inflation and a sharp and rapid economic recovery thereafter.

Oils were mixed. Gulf were up $¾ to $41, Mobil $¾ to $72¾ and Exxon $¾ to $63¾. But Texaco shed $¾ to $35 and Standard Oil, California $¼ to $72¾.

Some Computers were higher. IBM were up $¾ to $55 and NCR $2¾ to $60¼.

Procter and Gamble eased $¾ to $77¾—it reached a definitive agreement to buy Crush International Limited's U.S. and International businesses, excluding its Canadian operations, for $53m.

Dr. Pepper, which had also bid for Crush, gained $¾ to $11¾—it said it is evaluating several acquisition possibilities.

Cabot advanced $1½ to $67¾—it agreed in principle to sell its machinery division to Ingersoll-Rand for $130m in cash, and the assumption of certain liabilities. Cabot expects a gain of about $4 a share from the sale. Ingersoll-Rand put on $¾ to $53¾.

Active Engelhard Minerals jumped $2 to $33¾, while the most active issue Gulf and Western, improved $¾ to $16¾.

Ponderosa gained $¾ to $15—its Board plans to take action to prevent the purchase of additional shares by General Host.

THE AMERICAN SE Market Value Index moved up 2.55 to 270.62, making a rise of 3.85 on the week.

Active Delhi International Oil were lifted $3¾ to $48¾. Other Oils were also active, including Gulf Canada, up $1¾ to $27¾, and McCulloch Oil, up $¾ to $11¾.

Closing prices for North America were not available for this edition.

Canada

Markets turned mixed in fairly active noon trading yesterday, when the Toronto Composite Index rose 1.2 to 1,958.0 but nine of 14 sub-indices retreated.

The Oil and Gas Index moved up 31.6 to 4260.4 and Golds put on 28.9 to 3169.0, but Metals and Minerals shed 4.3 to 1831.8, Utilities 1.47 to 250.14, Papers 1.27 to 178.72 and Banks 0.40 to 342.35.

Crush International firmed $¾ to $14¾—*it accepted a sweetened bid of 53m U.S. dollars for its U.S. and International businesses, excluding Canada, from Proctor and Gamble.*

Tokyo

Stocks closed higher with speculatives continuing to advance. Volume 320m (280m) shares.

The Stock Exchange tightened Margin Trading controls on Japan Wool and Asahi Denka, but failed to curb speculative trading in them. Japan Wool gained Y50 to Y934 and Asahi Y30 to Y445.

Other speculatives also closed higher with Miyaji Iron up Y80 to Y1,860, Nippon Signal Y100 to Y775, Kyosan Y35 to Y47 and Tokico Y11 to Y791.

Nissan Motor held unchanged at Y670, despite record 1979 sales and profit.

Oils were generally higher, while Electricals and "Big-Capitals" closed easier.

Shares related to Titanium were better, with Nippon Soda up Y10 to Y475 and Ishiwara Sangyo up Y16 to Y389.

Hong Kong

Firmer across the board, with dealers attributing no specific factors behind the late advance.

Turnover was moderate with market sentiment cautious on concern of a possible further cut in local Prime Rate, following the latest decline of U.S. interest rates.

Among the market leaders, Cheung Kong and China Light each gained 20 cents to $HK13.40 and $HK19.90 respectively.

Australia

Market eased after a week of hectic trading in Oils. But some Mines moved sharply ahead to close out the week.

Former Nickel high flyer Poseidon, which now is a Gold Miner, had a large special sale and firmed 5 cents to $A2.90.

Aberfoyle added 50 cents at $A7.20 and Pan Continental were 44 cents higher at $A6.50.

Peko were up 10 cents to $A7.60 and Kathleen Investments rose 40 cents to $A5.60.

Central Norseman dropped 20 cents to $A7.50 and other Mines eased, including Comalco down 6 cents to $A6.00, CRA 6 cents to $A5.60, Ashton 5 cents to $A2.70 and MIM 10 cents to $A4.30.

Strata Oil, which had tripled in value on a gas test in Western Australia, came back 4 cents to 60 cents on a turnover of more than a million shares.

Renison gained 80 cents to $A17.50 and Queensland Mines were 30 cents higher at $A6.80.

Industrials recovered to finish on a mainly steady note.

Banks eased, with ANZ Group off 5 cents to $A4.55 and National Bank 7 cents to $A2.43.

CSR firmed 2 cents to $A6.42 on higher world sugar prices.

Switzerland

Prices eased over a broad front in moderate volume under the influence of overnight weakness on Wall Street and also special situations.

Brown-Boveri, which lost Fr 45 to 1,770 in active trading, led the market lower, followed by Nestle, off Fr 45 at 3,315.

But Sulzer and Alusuisse each continued to edge higher.

Swiss Reinsurance Bearer were Fr 125 lower at 5,850 in easier Insurances while, in slightly easier *Banks*, the Bearer shares of Credit Suisse and Volksbank each closed unchanged.

Holderbank and SSIH were among several Financials to rise against the general trend, but Motor-Columbus lost gains made earlier in the week.

Domestic and Foreign Bonds continued higher.

Dollar stocks traded significantly below overnight New York closing levels.

Dutch Internationals and, with a few exceptions, German shares also eased.

Johannesburg

Gold shares closed firmer across the board with selected issues up to R3 higher, reflecting the improved international bullion price.

Mining Financials followed the general trend and Platinums also firmed, while Coppers steadied.

Industrials were narrowly mixed.

Indices

NEW YORK —DOW JONES

	May 29	May 28	May 27	May 23	May 22	May 21	1980 High	1980 Low	Since C'mpila'n High	Since C'mpila'n Low
◆ Industr'ls	846.25	860.32	857.78	854.10	842.92	851.06	903.84 (13/2)	759.13 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	72.56	72.58	72.02	72.28	72.27	71.91	74.01 (9/1)	66.87 (28/3)	—	—
Transport	268.14	271.29	269.69	265.34	253.01	258.09	305.80 (8/2)	233.69 (27/3)	305.80 (8/2/80)	12.23 (8/7/32)
Utilities	109.91	110.49	109.69	109.18	108.19	107.88	115.46 (13/2)	96.04 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
TradingVol 000's	42,000	38,580	40,810	45,790	41,040	34,930	—	—	—	—

◆ Day's high 863.65 low 844.71

Ind. div. yield %	May 23	May 16	May 9	Year ago (approx)
	7.10	6.60	6.50	6.01

STANDARD AND POORS

	May 29	May 28	May 27	May 23	May 22	May 21	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	123.92	126.03	125.24	124.53	122.50	120.98	134.47 (13/2)	111.09 (27/7)	134.84 (11/1/73)	3.52 (30/6/32)
§Composite	110.27	112.06	111.40	110.62	109.01	107.72	118.44 (13/2)	98.22 (13/2)	125.85 (11/1/73)	4.40 (1/6/32)

	May 28	May 21	May 14	Year ago (approx)
Ind. div. yield %	5.30	5.63	5.58	5.38
Ind. P/E Ratio	7.77	7.46	7.38	8.38
Long Gov. Bond Yield	10.15	10.26	10.19	8.98

N.Y.S.E. ALL COMMON

May 29	May 28	May 27	May 23	1980 High	1980 Low
62.97	63.88	63.60	63.05	67.77 (13/2)	55.30 (27/3)

Rises and Falls	May 29	May 28	May 27
Issues Traded	1,881	1,917	1,892
Rises	505	827	979
Falls	1,052	679	547
Unchanged	324	411	366
New Highs	32	33	49
New Lows	4	2	1

MONTREAL

	May 29	May 28	May 27	May 26	1980 High	1980 Low
Industrial	353.64	365.41	361.72	356.84	423.80 (29/2)	323.21 (27/3)
Combined	331.85	339.58	340.16	337.01	378.30 (29/2)	236.90 (27/3)
TORONTO Composite	1956.8	1997.2	2006.9	1995.2	2192.8 (29/2)	1702.5 (27/3)

	May 30	May 29	May 28	May 27	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1936/33)	857.06	858.94	856.80	851.66	947.47 (14/2)	780.00 (2/1)
Metals & Mnls (1936/33)	5539.49	5378.75	5401.88	5351.14	6680.35 (14/2)	4561.26 (28/3)
AUSTRIA						
Credit Aktien (2/1/62)	68.49	68.55	68.60	68.62	69.40 (7/1)	67.40 (2/6)
BELGIUM						
Belgian SE (31/12/63)	95.78	95.89	95.58	95.14	105.75 (11/2)	90.14 (31/3)
DENMARK						
Copenhagen SE (1/1/73)	78.16	78.18	78.19	77.77	86.74 (2/1)	74.78 (6/3)
FRANCE						
CAC General (29/12/61)	109.0	109.8	109.9	110.2	117.80 (22/8)	97.1 (3/1)
Ind Tendance (28/12/78)	105.9	106.0	106.3	107.1	109.70 (13/2)	95.60 (3/1)
GERMANY						
FAZ-Aktien 31/12/58	226.21	227.07	225.46	223.79	238.89 (25/2)	212.73 (28/3)
Commerzbank (Dec. 1953)	708.60	713.9	709.0	705.0	749.2 (25/2)	667.0 (27/3)
HOLLAND						
ANP-CBS General (1970)	84.5	84.7	84.6	83.9	87.0 (11/2)	74.0 (27/3)
ANP-CBS Indust. (1970)	66.0	65.7	65.4	64.9	68.2 (11/1)	58.2 (28/3)
HONG KONG						
Hang Seng Bank (31/7/64)	894.32	883.43	884.96	876.54	983.17 (15/2)	753.9 (19/3)
ITALY						
Banca Comm. Ital (1972)	97.66	96.88	96.57	96.34	97.66 (30/5)	85.11 (2/1)
JAPAN						
Dow Average (16/5/49)	6855.70	6841.40	6849.05	6828.50	6904.81 (25/4)	6475.93 (27/3)
Tokyo New SE (4/1/68)	466.48	466.60	467.35	466.88	472.65 (14/2)	449.01 (10/3)
NORWAY						
Oslo SE (1/1/72)	131.62	133.53	133.68	132.30	144.70 (14/2)	110.12 (28/3)
SINGAPORE						
Straits Times (1966)	520.21	515.98	(c)	515.60	520.21 (30/5)	423.75 (3/1)
SOUTH AFRICA						
Gold (1958)	(—)	606.5	615.3	594.1	916.5 (28/6)	505.0 (4/1)
Industrial (1958)	(—)	526.5	529.1	527.4	529.1 (28/5)	456.0 (28/1)
SPAIN						
Madrid SE (28/12/79)	97.44	97.17	97.30	96.66	103.29 (21/2)	93.76 (15/5)
SWEDEN						
Jacobson & P. (1/1/58)	367.19	364.48	365.20	365.96	386.68 (8/2)	334.72 (17/1)
SWITZERLAND						
Swiss Bank Co. (31/12/58)	292.4	294.1	295.4	296.2	317.8 (11/2)	284.3 (22/4)
WORLD						
Capital Intl. (1/1/70)	—	136.3	137.9	137.8	143.3 (13/2)	120.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Howard Johnson	656,500	27¼	+1	IBM	462,200	54⅞	−1⅛
City Invest.	635,400	24⅞	−1½	Phillips Petrolm.	387,000	44⅞	−2¾
Victoria Elec.	606,300	11¾	+⅜	Tandy	386,100	40⅞	+⅞
Mobil	523,000	71½	−2	Sony	378,900	9	−⅛
Gulf Oil	506,200	40½	−1¾	Exxon	364,700	63⅞	−1⅝

هكذا من الأصل

JAPANESE MOTOR INDUSTRY

Exchange gains boost Nissan income

BY YOKO SHIBATA IN TOKYO

NISSAN MOTOR, Japan's second largest car manufacturer, achieved a sharp gain in earnings for the fiscal year ended March, helped by a strong increase in exports and heavy exchange gains resulting from the yen's depreciation.

Nissan's operating profits increased by 52 per cent to Y183 ($820m), and net profits rose 33.6 per cent to Y87.46bn. Per share profits were Y57.10 against Y42.98 a year earlier.

Its sales increased by 18.7 per cent to Y2,738.9bn ($12.3bn).

During the year, the company produced 2.41m vehicles, a gain of 8.5 per cent, and its production of car components for overseats knock-down sales increased by 17.9 per cent to 178,898 sets. The company's domestic car sales totalled 1.22m vehicles, rising 2.5 per cent.

Exports advanced to 1.25m vehicles, up 24.5 per cent, to account for 50 per cent of the total sales. Of exports, passenger cars rose 29 per cent to 919,941 and commercial vehicles went up by 12.9 per cent to 327,742.

Exports to North America increased by 24.6 per cent to 588,845 vehicles. Exports to Europe gained 36.7 per cent to 303,561 vehicles, of which those to the UK rose by 28.5 per cent to 120,505 and those to West Germany by 37.7 per cent to 413,330.

Over the year, Nissan's average exchange rate for accounting purposes was set at Y200 per dollar. However, the actual rate averaged Y230. This Y30 depreciation generated over Y90bn of exchange gains. Gains from rationalisation totalled Y39bn. Cost rises totalled Y83bn. The company repayed Y46bn borrowings in the year lessening the payments burden.

For the current year, ending next March, Nissan foresees sales of Y3,100bn, up 13 per cent. The larger car sales is 2.7m vehicles, of which domestic sales will account for 1.25m (up 2 per cent) and exports for 1.45m (up 16 per cent). The additional exports of 200,000 vehicles are mostly for the building up of stocks at overseas Datsun car dealers.

Operating profits are forecast at Y160bn, down 13 per cent. The company explains the setback here as the result of last year's exceptionally good results, and the appreciation of the yen.

For the current fiscal year, the company envisages Y150bn of capital investments, up Y30bn. The capital outlay for rationalisation is to be lifted to Y40bn from Y35bn.

Car development, centering on energy-saving cars is put at Y45bn against the previous year's Y40bn. The company will also increase capital outlays for the manufacturing of front-wheel drive cars, from Y10bn to Y20bn.

Bond price decline in Tokyo hits banks

By Richard C. Hanson in Tokyo

THE COLLAPSE in the price of government bonds last year continued to depress commercial bank profits in the six months ended March 31. A number of the large banks, however, took advantage of an acounting loophole to avoid reporting declines.

The 13 City banks, which reported half-year results this week, had a combined drop in net profit of 19.1 per cent from the level in the previous half year, to September, when there was a fall of 15 per cent. The latest fall, mainly the result of exchange and selling losses on securities, which amounted to Y157.7bn ($706m) for the 13. In the September half the banks suffered a Y98.3bn loss on bonds.

The losses reported for the six months to March would have been much larger if six of the banks had decided to report, as in the past, the value of their bond holdings at the actual price at the end of the period.

The authorities allowed the banks the option of valuing the bonds at purchase price, to allow for the impact of the sharp decline in the bond market caused by the Government's need to borrow heavily to finance the Budget.

The difference between the results of the top five banks is clear. Dai-Ichi Kangyo Bank, the largest in terms of deposits, reported a 3.8 per cent increase in net profit to Y12.5bn ($56m) and Mitsubishi Bank had only a slight drop, of 1.8 per cent to Y12.9bn ($57.7m). Both opted to avoid recording the bond losses. Both banks, coincidentally, are also having to spend a lot of money to open large new headquarter buildings in Tokyo this year.

Fuji Bank, on the other hand, reported a 40 per cent drop in net profit to Y7.9bn ($35.4m). Sumitomo Bank had a drop of 40.1 per cent to Y7.9bn ($35.4m) and Sanwa a decline of 40.2 per cent to Y7.03bn ($31.5m). All counted the bond losses.

Operating revenues for the banks were up a healthy 30.4 per cent for the banks as a group, compared with a 17.4 per cent increase in the previous half-year. The banks benefited from three jumps in the official lending rates over the six months (from 5.25 per cent to a record 9 per cent in the official discount rate) and deposits came in briskly.

Merger planned by French plant engineering groups

BY DAVID WHITE IN PARIS

HEURTEY INDUSTRIES, one of France's most prominent plant engineering groups, is to be taken over by a smaller company, Sofresid, under an agreement aimed at presenting a more powerful challenge in bids for large international turnkey contracts.

M. Paul-Henri Denieuil, chairman of Heurtey, said the agreement would create France's largest group in the sector, a position currently held by Technip. The combined turnover of the two companies, which will keep their separate identity, is expected to be FFr 1.75bn this year ($420m) but M. Denieuil said it could potentially be increased to FFr 3bn or more.

The move was made with the agreement of the Paribas banking and industrial group, which holds 22 per cent of Sofresid and controls Heurtey, a company which has been losing money in recent years.

Assuming formal approval by Heurtey shareholders next month, Sofresid is to take majority control by subscribing a capital increase. Heurtey will in a first stage reduce its capital of FFr 48m by FFr 25m—an amount equal to its loss last year—by cutting the nominal value of its shares. Sofresid will then put up FFr 35m

M. Denieui, sent in by Paribas a year ago to carry out a reorganisation at Heurtey, said the two companies had complementary activities, with Heurtey specialising in oil processing, petrochemicals and fertilisers and Sofresid in steel, metals, mining and offshore platforms.

Sofresid's current annual turnover is about FFr 350m and Heurtey's FFr 1.4bn. Between them they employ 3,600.

● First quarter consolidated turnover of Saint-Gobain-pont-a-Mousson, the French paper, glass and engineering conglomerate, increased 10.9 per cent to FFr 9.7bn from FFr 8.7bn in the like 1979 period.

Brown Boveri expects sales rise

BY JOHN WICKS IN ZURICH

AN INCREASE in both sales and orders is anticipated for this year by the Swiss-based engineering group Brown Boveri. For the first quarter of 1980 sales rose by 14 per cent to SwFr 1.84bn ($1.12bn) and new orders were 13 per cent higher at SwFr 2.36bn.

While group sales rose 9 per cent last year to a record SwFr 8.8bn ($5.33bn), Brown Boveri expresses dissatisfaction at the influx of new business in 1979. Herr Franz Luterbacher, chairman, said that new orders declined by 8 per cent to SwFr 8.83bn.

Cash flow continued to deteriorate in 1979, falling 16 per cent to SwFr 485m following a 10 per cent drop in 1978. Herr Luterbacher attributed the lower cash flow margin of 5.5 per cent from 7.1 per cent in 1978 to a "persistently unsatisfactory market situation" in power generation, a larger loss from its French group, and a currency loss of SwFr 20m in Brazil.

For 1980, Herr Lutenbacher does not see an improvement in cash flow as industry overcapacity and price competition are expected to continue. Brown Boveri does not publish consolidated profit figures.

The group will continue to spend 9 per cent of sales on research and development. In 1979, about 50 per cent of research spending went into saving energy, whereas 10 to 15 per cent was used for alternative energy research

The Brown Boveri parent company recorded a slight increase in net profit to SwFr 41.8m in 1979 from SwFr 41.7m. The board proposes an unchanged dividend of SwFr 50 per bearer share and SwFr 10 per Registered share.

Setback at Japan Air Lines

By Charles Smith in Tokyo

CURRENT PROFITS of Japan Air Lines fell sharply in the year to March 31, by 98 per cent to Y392m ($1.8m). The decline is attributed to increases in fuel and other costs. After-tax profits were down 32.3 per cent to Y1.97bn.

In terms of turnover and operating levels JAL had a reasonably satisfactory year. Sales were up 20.9 per cent to Y568.45bn ($2.5bn), with improvements on both overseas and domestic routes. Fuel costs, however, more than doubled, rising by Y70.2bn to Y136bn.

JAL forecasts a recovery in 1980, based on hopes of stabilised fuel prices, with turnover put at Y727bn and operating and net profits at Y6bn and Y3.5bn, respectively.

Japanese shipbuilders see an improvement in profit outlook

BY OUR TOKYO CORRESPONDENT

A MUCH leaner Japanese shipbuilding industry may be about to return to profitability after several years of deep recession.

Last year's business results, however, still reflected the troubles which engulfed the industry after the first oil crisis, particularly for those companies which count shipbuilding as the major part of their operations.

Ishikawajima-Harima Heavy Industries (IHI) reported a net profit of Y3.81bn ($17m), up 94.3 per cent from the previous year, but only as a result of a Y21bn sale of a former shipyard in Tokyo. Although shipbuilding is only 20 per cent of the company's total business, that division dragged the company into a Y19bn operating loss (compared with a Y10bn loss a year before). Total sales were down 1 per cent to Y691bn ($3.1bn)), but the decline was seen in the industrial plant and jet engine divisions.

Hitachi Shipbuilding and Engineering and Mitsui Shipbuilding and Engineering, for which shipbuilding and repairs represent about half of total sales, reported, respectively, a 73 per cent drop in net profit to Y1bn, and a net loss of Y236m (compared with a loss of Y9.4bn).

Hitachi's sales were down 3.2 per cent to Y249.6bn ($1.12bn), while Mitsui's dropped 21 per cent to Y201.2bn ($902.24m).

Mitsubishi Heavy Industries earlier reported an increase in net profit and sales, based on its strong heavy equipment divisions. Kawasaki Heavy Industries reported flat sales, at Y501.5bn ($2.45bn) and a net profit of Y2.8bn ($12.56m) against a Y5.9bn loss in the previous year.

Sumitomo Heavy Industries recorded a 17.2 per cent rise in sales to Y225bn ($1.01bn) and an 18.5 per cent increase in net profit to Y513m ($2.30m). Kawasaki and Sumitomo also have strong divisions other than shipbuilding.

Despite the gloomy profit picture last year, the industry as a whole showed strong increases in orders for ships. The Japanese shipbuilding order book doubled in the year to April to 25.1m dwt, capturing about two thirds of new orders worldwide.

More importantly, these new orders will be profitable, unlike the sales of ships over the past few years, as long as the foreign exchange rates do not fluctuate greatly.

The shipbuilding industry is still operating at about 35 per cent of its peak capacity reached in 1973 (the backlog of orders remains about one-fifth of the peak), but the operating rates will be increasing again this year.

Most of the companies are cautious about rehiring blue collar workers, but the healthier companies have begun to take on office staff and engineers.

The industry cutback on its shipbuilding capacity by 35 per cent under a government-directed programme, and has been further holding the operating rate down through a cartel arrangement. From August the operating rate will rise to 51 per cent reflecting the increase in new orders.

Reverse for Furukawa Electric

TOKYO — Furukawa Electric Company, the electric cables and wires company, expects its after-tax profit in the current business year to March 31, 1981 to fall to about Y2.30bn ($10.3m), following a 20 per cent fall to Y3.37bn last year.

Sales, however, are expected to rise to about Y420bn ($1.9bn) this year — after showing a 27 per cent gain to Y387.8bn in 1979-80—helped by public sector capital outlays on plant and equipment.

The decline in profit last year is attributed to higher interest costs and a sharp rise in prices of copper and oil.

Reuter

Sharp fall for Hapag-Lloyd

By Our Financial Staff

HAPAG-LLOYD, the West German travel and shipping group, suffered a sharp setback in 1979 and will not pay a dividend.

Against net profits in 1978 of DM 10.8m ($6.2m) the company could only break even last year. Shareholders will not receive a payment having seen their dividend reduced in 1978 to DM 3 a share from DM 4.5.

In a letter to shareholders last December Hapag made it clear that there would be no dividend for 1979 because of "unsatisfactory" business.

The group said it was suffering from the weakness of the dollar which was eating into margins and from reduced trading levels in shipping.

Olivetti pays dividend

BY RUPERT CORNWELL IN ROME

OLIVETTI, the major Italian electronics and office equipment manufacturer will pay a dividend of L100 on both ordinary and privileged shares, its first distribution to shareholders since 1974.

The resumed dividend is tangible proof of the recovery of the Ivrea-based company. Last year net earnings rose to L23.8bn ($28.6m) from L2.1bn after inclusion of substantial extraordinary capital gains. Sales in 1979 rose by 19 per cent to L1,852bn.

The expansionary trend continued in the early stages of this year. Shareholders at the annual meeting in Ivrea yesterday were told that in the first four months of 1980, Olivetti group sales at L595bn were 21.6 per cent up on the same period of 1979.

Sugar rallies strongly after heavy losses

BY OUR COMMODITIES STAFF

WORLD SUGAR prices surged to new five-and-a-half year highs on the London futures market yesterday after a week of erratic fluctuations. The London daily price for raw sugar reached a peak of £362 before coming back to £337 and then rallying yesterday to £346 a tonne, still £4 down on a week ago. However the August position on the futures market closed last night well up at over £394—a gain of over £15 on the previous day. The March 1981 position topped £400 for the first time.

It was claimed that the losses suffered earlier in the week were basically a technical reaction following the recent sharp rise in the market. The fundamental supply-demand position remains very strong.

London merchants, C. Czarnikow, in its weekly market review forecast that world sugar production in 1979/1980 would fall to 84,647,000 tonnes compared with 90,917,000 tonnes the previous season.

The review noted that although consumption, estimated at around 92m tonnes in 1980, might be hit by the higher prices and specific supply shortages in some areas, there would still be a substantial reduction in world sugar stocks.

There was also considerable excitement on the cocoa market with prices surging higher in the morning before collapsing to a new four-year low in the afternoon.

The long decline in prices was halted on Wednesday when traders began to react against what they saw as an "oversold" situation. This technical rally continued, lifting the July futures price by £30 a tonne on Thursday and by another £35 at one stage yesterday. But then rumours of producer selling, notably by Ghana, triggered a downturn which quickly snowballed and eventually wiped £77 off the price.

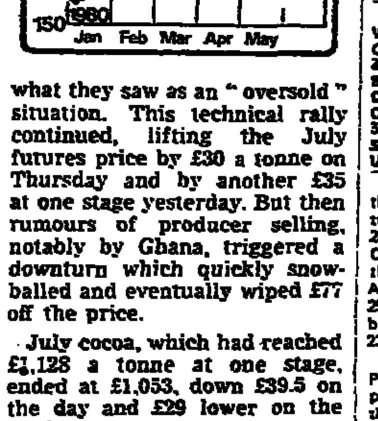
July cocoa, which had reached £1,128 a tonne at one stage, ended at £1,053, down £39.5 on the day and £29 lower on the week.

Silver staged a rally this week, with the bullion spot quotation rising by 100.5p to 587.60p a troy ounce. It was boosted by the rise in gold and a report that the Hunt family are under no time pressure to dispose of their silver holdings. The lawyer representing the Hunts at this week's Congressional hearings on the silver market said there was no time limit attached to the $1bn being negotiated to help meet the Hunts massive silver debts.

Other metals were relatively steady, but the aluminium and copper markets were shaken in late dealings yesterday by news that U.S. aluminium workers had agreed a new labour contract to replace contracts that were due to expire on Sunday. It is thought the settlement might well set a precedent for negotiations on renewing U.S. copper workers contracts that expire at the end of June.

The threat of a strike by U.S. workers has been a major background influence sustaining copper prices, despite the downward pressure exerted by the rise in the value of sterling against the dollar. In fact copper ended the week £14 up at £902.5 a tonne reflecting renewed buying interest triggered off by the fall in U.S. interest rates and the rise in gold and silver. However, the aluminium labour contract settlement, and a forecast of a small rise in warehouse stocks, could put the market under pressure again.

Lead and zinc lost ground during the week, discouraged by a prediction of lower prices to come by Preussag, the big West German metals group. However, tin prices gained ground with the development of another squeeze on immediately available supplies



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/815	—	£710/50	£810/815	£760/70
Free Markets c.i.f.	$1,688/1,710	—60	$1,600/20	$2190/2200	$1680/1710
Antimony					
Free Market 99.6%	$5,340/3,380	—	$3,275/325	$3,435	$3200/3300
Copper Cash Wire Bars	£902.5	+14	£926.75	£1,372	£876.75
3 months Do. Do	£923.75	+11	£938.85	£1,376.5	£903.25
Cash Cathodes	£878	+14.5	£899	£1,316	£859
3 months Do	£903	+15.5	£921.5	£1,345.5	£894
Gold per oz	$536.5	+21.5	$270.625	$835	$475
Lead cash	£325.5	—4	£666.25	£579	£318
3 months	£329	—7.5	£615	£4715	£324.5
Nickel	£3,355	—	£2,728.73	£3,477	£3,195.78
Free Market c.i.f. lb.	265/295c	—	$325/75c	318/345	265/295c
Platinum per oz.	£189/193	—	£171	£195	£189
Free Market per oz.	£250.30	+12.65	£218.55	£466.6	£230
Quicksilver (76lbs.)	$390/400	+10	$325/40	$405/415	$375/380
Silver per oz.	587.60p	+100.50	426.3p	2,165.05p	467.80p
3 months per oz	607.90p	+103.5	437.9p	2,185.65p	483.3p
Tin cash	£7,495	+200	£7,467.5	£8,350	£7,235
3 months	£7,395	+102.5	£7,172.5	£8,385	£7,167
Tungsten Ind	$142.49	—	$156.8	$144.50	$137.75
Wolfram (22.04 lb)	$138/145	—	$141.45	$147/151	$133.50/134
Zinc cash	£298.25	—10.75	£575.25	£400	£288.5
3 months	£308	—10.25	£385.25	£415.5	£299.5
Producers	$780	—	$845	$825	$780
GRAINS					
Barley					
Home Futures	£95.80	—0.25	£89.26	£101.55	£89.95
Maize					
French No. 3 Yellow (Amer).	‡	—	£111	£119	£116
WHEAT					
No. 1 Red Spring	‡	—	‡	‡	‡
Am. Hard Winter	‡	—	‡	£105	£92.75
Eng. Milling (new crop)	‡	—	£107.5	‡	‡
SPICES					
Cloves (g)	$4,175y	—	$3,950	$4,175	$3,870
Pepper, white	$2,375w	—25	$2,600	$2,825	$2,375
" black	$1,600w	—25	$1,700	$2,025	$1,600
OILS					
Coconut (Philippines)	$640y	—10	$1,095	$925	$570
Groundnut 5%	‡	—	‡	£457	‡
Linseed, Crude	£404	—	£378	£454	£388
Palm Malayan	$572.50v	—22.5	$662	$725	$505
SEEDS					
Copra (Philippines)	$450t	—	$715	610	$380
Soyabeans (U.S.)	$265.80t	—1.65	$308.85	$304	$260.6
OTHER COMMODITIES					
Cocoa Shipment	£1,114	—28	£1,792.5	£1,546	£1,114
F'ts 2nd pos.	£1,053	—29	£1,707.5	£1,513.5	£1,053
Coffee Futures July	£1,685	—42	£1,599.5	£1,780	£1,479
Cotton Index	87.15c	—1	74.15c	98.40c	85.85c
Des. Coconut	£700	—25	£740	£740	£700
Jute LJ ABW G grade	£218yv	—	£520	£226	£216
Rubber kilo	57.50p	+1.5	55.50p	90p	55.30p
Sago Pearl	£207yv	—	£188	£216	£204
Sisal No. 3 L	£885v	—	‡	£885	£860
Sugar (Raw)	£346	—4	£99	£302	£164
Tapioca No. 1	£205yv	—	£184	£221	£202
Tea (quality) kilo	‡	—	132p	150p	132p
" (plain) kilo	‡	—	74p	70p	55p
Wooltops 64s Warp	295p	—	280p	308p kilo	276p kilo

‡ Unquoted. (g) Madagascar. (x) Aug./Sept. (t) June. (w) May/June. (y) June/July. (v) July.

MARKET REPORTS

BASE METALS

COPPER—Firmer on the London Metal Exchange although well below the day's highest levels. The initial weakness of sterling saw forward metal edge up from £924 to around £932 just after the opening of Comex. However, a strong rally in sterling and a downturn in New York pared the price to a low of £922 before a close of £923.5. A further sharp decline on Comex during the after-hours trading saw three months fall afresh to £918. Turnover: 21,525 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	905-.5	+2.75	902-3	+7.25
3 months	928-9	+4	923.5-4	+6.25
Settlem't	905.5	+2.5	—	.....
Cathodes				
Cash	.....		876-80	+9
3 months	882-3	+3	901-5	+9
Settlem't	905-7	+3.5	—	.....
U.S. Prod	883	+3	*95	—7.25

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £905.5, three months £929, 28, 29, 28.5, 28, 27, 26, 27, 28, 29. Cathodes, cash £883. Kerb: Wirebars, three months £929, 28, 29, 30, 29.5. Afternoon: Wirebars, three months £926, 25, 24, 23, 22, 24, 23, 24. Kerb: Wirebars, three months £924, 24.5, 25, 24, 23, 24.

TIN—Moved ahead. The rise at Penang, and the initial fall in sterling, prompted modest covering which lifted three months to £7,420 on the pre-market, although hedge selling in the Rings pared the price to just below £7,400. In the afternoon nervous selling, reflecting the rally in sterling, depressed the price further to £7,370 before a strong recovery caused a close on the late Kerb to £7,400. Turnover: 875 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7490-510	+98	7450-500	+28
3 months	7430-50	+58	7415-35	+5
Settlem't	7510	+98	—	.....
Standard				
Cash	7490-500	+98	7490-500	+25
3 months	7405-15	+58	7390-400	+10
Settlem't	7500	+90	—	.....
Straits. E.	$2202	+11	—	.....
NewYork	—	—	—	.....

Morning: Standard, cash £7,500, three months £7,410, 7,400, 10. Kerb: Standard three months £7,390, 7,400. Afternoon: Standard, three months £7,370, 80. Kerb: Standard, three months £7,400.

LEAD—Firmer. After opening at £330 and easing to £328 forward metal picked up strongly during the second morning Ring reflecting strong demand for both cash and forward metal from one quarter. This buying almost eliminated the contango at one point and lifted forward metal to around £335. The market tended to weaken thereafter with three months falling away to close the late Kerb at £326.5 and the contango trading at £3. Turnover: 9,375 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	334-5	+16	325-5	+7.5
3 months	334.5-5.5	+10.5	328-30	+4.5
S'ment	335	+16	—	.....
U.S. Spot.	—	—	*36-40	.....

Morning: Cash £334, three months £330, 32, 33, 34, 35, 36, 35. Kerb: Three months £334. Afternoon: Cash £324, 25, three months £322, 30, 28, 29. Kerb: Three months £329, 28, 27.

ZINC—Moved narrowly before closing the late Kerb at £308.5. Turnover: 4,875 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	300-2	+.5	297.5-9	+1.25
3 months	311-2	+.25	307.5-8.5	—.25
S'ment	302	+.5	—	.....
Primw'ts	—	—	*37.5	.....

Morning: Three months £308, 9, 9.5, 9, 10, 10.5, 11. Kerb: Three months £311, 10.5. Afternoon: Three months £308, 7, 8. Kerb: Three months £308, 7.

ALUMINIUM—Sharply lower on balance. Forward metal opened at £741 and moved up to £747 on the morning Kerb following forecasts of a substantial fall in warehouse stocks, with the backwardation trading around £15. However, in the afternoon news that three large producers had signed new three-year labour contracts with mineworkers brought out heavy selling pressure and depressed forward metal to £723 before a close of £725. The backwardation narrowed sharply to £5. Turnover: 9,775 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	758-9	+28.5	732-3	—20
3 months	745.5-6	+17	727-8	—.5

Morning: Cash £759, 60, 59, three months £742, 41, 43, 46, 47, 46. Kerb: Three months £746, 45. Afternoon: Cash £732, three months £732, 30, 28, 24, 25, 26, 27, 28, 26, 25, 26, 27, 26.5, 26, 27, 26, 27, 26, 27, 28, 27, 28. Kerb: Three months £728, 29, 28, 27, 26, 27, 25, 24, 25.

NICKEL—Marginally firmer in quiet trading. Forward metal opened around £2,700 and eased thereafter to close the late Kerb at £2,695. Turnover: 186 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2600-20	+25	2600-10	—35
3 months	2690-700	+58	2690-5	+32.5

Morning: Three months £2,700, 2,699. Afternoon: Kerb: Three months £2,690.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 31.65p an ounce higher for spot delivery in the London bullion market yesterday at £5.876. U.S. equivalents of the fixing levels were: Spot $13.70, up 63c; three-month $13.97, up 66.7c; six-month $14.229, up 67.2; and 12-month $14.822, up 71.6c. The metal opened at £5.75-£5.90 ($13.40-13.70) and closed at £5.75-£5.90 ($13.55-13.85).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	587.60p	+31.6	580p	+40
3 months	607.90p	+32.8	600.5p	+40.5
6 months	626.90p	+33.9	—	.....
12months	661.30p	+38.3	—	.....

LME—Turnover 130 (159) lots of 10,000 ounces. Morning: Three months 608, 7, 6, 7. Kerbs: Three months 610. Afternoon: Three months 605, 3, 2, 1. Kerbs: Three months 603, 2, 1, 600.

COCOA

Yesterday's rally was continued today with futures touching levels £35 above the close of Thursday evening. However, a wave of selling during the afternoon session eroded all of the gains and in the final call the recent pattern of new contract lows being recorded was established yet again, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
May	—	—	1131-25
July	1052-54	—39.5	1128-51
Sep	1068-70	—38.5	1139-66
Dec	1110-11	—36.5	1181-10
March	1148-50	—32.0	1218-47
May	1170-85	—25.0	1240-15
July	1190-85	—22.5	1260-40

Sales: 6,972 (3,825) lots of 10 tonnes.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. May expired; Aug. 376, 379, 376-375, 4; Oct. 376, 379, 377, 3; Dec. 376, 379, 377, 3; Jan. 376, 379, 377-375, 6; March 380, 383, nil, nil; May 382, 388, nil, nil; Aug. 382, 387, nil, nil; Oct. 382, 387, nil, nil. Sales: 16.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. July 485.0, 486.0, 487.0-483.0, 195; Oct. 475.0, 475.5, 478.5-474.0, 178; Dec. 478.5, 478.0, 481.0-475.0, 185; March 477.0, 479.0, 484.0-477.0, 88; May 480.0, 483.0, 485.5-483.0, 27; July 482.0, 483.0, 484.0-484.0, 2; Oct. 483.0, 486.0, 487.0-483.5, 9. Sales: 694.

COFFEE

COFFEE	yesterday's Close	+ or —	Business Done
	£ per tonne		
May	—		1645-35
July	1682-88	—15.5	1703-1682
Sept	1740-42	—13.5	1760-40
Nov	1753-54	—11.5	1770-50
January	1765-70	—5.0	1777-70
March	1728-29	—4.0	1740-29
May	1720-24	—3.0	1734-30

Sales: 2,220 (2,019) lots of 5 tonnes. ICS Indicator prices for May 29 (U.S. cents per pound): Other Mild Arabicas 191.17 (191.67); Robustas ICA 1976 176.25 (same). ICA 1968 176.50 (same). Unwashed Arabicas 213.50 (215.00). Comp. daily ICA 1968 195.70 (196.45).

GRAINS

LONDON GRAIN FUTURES—Grains opened higher on good buying interest. Values quickly rallied but volume was generally fairly lighter. Some selling was seen after lunch on barley, and values closed 55p-60p higher on the day. Wheat values remained steadier, 75p-80p up on the day, reports Acli.

Mnth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Sept	94.40	+0.80	91.80	+0.55
Nov	98.20	+0.80	95.80	+0.60
Jan	101.95	+0.75	99.60	+0.60
Mar	105.40	+0.75	102.95	+0.55

Business done—Wheat: Sept. 94.40-94.10, Nov. 98.25-98.00, Jan. 101.95-101.80, Mar. 105.40-104.95. Sales 143 lots of 100 tonnes. Barley: Sept. 91.90-91.70, Nov. 95.90-95.60, Jan. 99.55-99.55, March 103.05-102.90. Sales 57 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 93.00, E. Midlands 92.00, N. East 91.70, Scotland 92.20. Other milling wheat: N. East 102.00.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, June 92.40, July 93.25, Aug. 94.85, Sept. 95.60, Oct. 97.25, Nov. 98.95, Dec. 101.55 transhipment East Coast. Maize: French June 117.50 East Coast. S. African Yellow June-July 77. Barley: English Feed fob June 98 East Coast. Rest unquoted.

RUBBER

The London physical market opened steadier with little interest at higher levels, closing on an easier note. Lewis and Peat reported a Malaysian godown price of 281 (282) cents a kg (buyer, June).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
July	58.50-61.50	60.00-60.50	—
Aug	61.10-61.50	61.50-61.80	—
Jly.-Sept	61.50-61.70	61.60-61.80	62.00-61.40
Oct-Dec	65.70-65.30	65.00-65.10	66.30-65.00
Jan-Mar	68.10-68.20	67.90-68.00	69.20-68.00
Apr-Jne	70.70-70.80	70.70-70.80	70.80
Jly.-Sept	73.50-73.40	73.40-73.60	74.00-73.40
Oct-Dec	75.80-76.00	75.80-76.20	77.20-76.00
Jan-Mar	78.40-78.50	78.40-78.50	79.40-78.40

Sales: 544 (481) at 15 tonnes, none at 5 tonnes.

Physical closing prices (buyer) were: Spot 57.50p (same); July 62.50p (62.75p); August 63.50p (same).

SOYABEAN MEAL

The London market opened with small gains on weaker sterling, reports T. G. Roddick. Recovery in the pound coupled with trade selling late in the session put the market on the defensive and prices finished with losses of up to £1.00.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	99.7-100.5	—0.30	100.00-99.5
August	103.00-03.5	—0.05	103.80-103.20
October	101.80-01.5	—0.75	102.40-101.10
December	105.00-05.1	—0.80	106.00-105.00
February	108.40-08.7	—	—
April	110.00-12.0	—	—
June	111.00-15.0	+0.5	—

Sales: 88 (40) lots of 100 tonnes.

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.50-£4.50, codlings £3.40-£3.80. Medium haddock £3.30-£4.00, small £2.50-£3.00. Medium plaice £5.00-£5.50, best small £3.40-£4.50. Skinned dogfish (large) £8.00, medium £4.60. Lemon soles (large) £7.50, medium £6.70.

SUGAR

LONDON DAILY PRICE (raw sugar): £346.00 (£337.00) a tonne cif for May-June-July shipment. White sugar daily price was £358.00 (345.00).

Reports of further buying interest from India kept the market very steady at the higher levels throughout the day, despite substantial profit-taking, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
May	—	350.00-50.00	385.00-45.00
Aug	394.00-94.75	378.05-79.25	396.50-80.00
Oct	398.10-98.50	382.00-83.00	399.50-80.00

Sales: 12,111 (10,741) lots of 50 tonnes.

No. 4 CONTRACT—Close (in order buyer, seller only). Aug. 380.00, 381.00; Oct. 392.25, 392.90; Jan. 396.95, 397.25; March 400.05, 401.00; May 397.50, 399.00; Aug. 395.00, 395.00; Oct. 381.00, 386.00. Sales: 1,319 (1,617).

Tate and Lyle ex-refinery price for granulated basis white sugar was £324.7 (same) a tonne for home trade and £482.50 (£482.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for May 29: Daily price 33.68 (34.30); 15-day average 32.41 (31.96).

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on May 30. GB cattle 82.60p per kg lw (+1.97); UK sheep 164.53p per kg est dcw (+13.95); GB pigs 70.07p per kg lw (+3.98).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported produce: Oranges—Spania: Vernas 3.80-4.20; Jaffa: Valencia Lates 50/189's 4.15-5.60; Moroccan: 54/113's 3.80-4.60; Cyprus: Valencia Lates 3.50-4.50; Arizona: Valencia Lates 88/113 5.20-5.50; Outspan: Navels 3.80-4.30. Lemons—Italian: 100/150s 4.20-4.50; Spania: Trays 25/45s 2.00-2.30, boxes 4.80-5.50; Outspan: Boxes 4.80-6.20, trays 2.50-2.80. Grapefruit—Cyprus: 20 kg 4.50-6.00; Jaffa: Boxes 40/56s 5.00-5.50; Outspan: 3.95-4.35. Apples—New Zealand: Sturmer Pippins 8.20-8.30; Cox's Orange Pippins 163s 10.20; Tasmanian: Jonathans 8.20-8.50, Golden Delicious 7.30-7.50, Crofton 8.50-8.00, Sturmer Pippins 8.00-8.50, Granny Smith 7.00-7.30; Chilean: Granny Smith large boxes 125/150s 7.50; S. African: Golden Delicious 8.60-8.80, Starking 7.70-8.50, White Winters 125/180s 6.70-7.00, Granny Smith 7.60-8.00; French: Golden Delicious, boxes 40 lb 138/198s 4.80-6.00, 20 lb 3.00-3.40; Italian: Jonathans/Romes 40 lb 5.00-5.20, Winesaps 4.80. Pears—S. African: Approx. 25 lb Beurre Bosc 7.30-7.50, Packham's 8.60-9.20; Italian: Passacrassane 12 lb 1.90-2.10; Victorian: Josephines 9.50-10.00.

AMERICAN MARKETS

NEW YORK, May 30.

GOLD AND Silver rallied sharply on reports of Iranian-Iraqi unrest. Copper weakened on a growing belief that the U.S. strike would not occur. Profit-taking ahead of the weekend was responsible for losses registered in sugar. Cocoa came under renewed heavy pressure on rumours of African producer sales. Producer selling depressed values in coffee. Cotton traded lower due to recession fears. Maize prices strengthened slightly, while wheat and soyabeans were mixed in slow trade. Cattle were mixed with firmness in the cash market and profit-taking in deferred contracts. Hog prices advanced on reduced receipts, reported Heinold.

Copper—June 92.50 (93.10). July 93.30-93.50 (94.00), Aug. 93.90, Sept. 94.30-94.50, Dec. 96.00-96.50, Jan. 96.60, March 97.50, May 98.40, July 99.40, Sept. 100.35, Dec. 101.80, Jan. 102.30, March 103.25. Sales: 6,900.

Potatoes (round whites)—Nov. 75.0 (75.4), March 89.3 (89.4), April 99.5-99.7. Sales: 395.

¶Silver—June 1390.0-1395.0 (1310.0). July 1395.0 (1320.0), Aug. 1406.0, Sept. 1417.0, Dec. 1453.0, Jan. 1465.5, March 1489.5, May 1514.0, July 1539.0, Sept. 1564.0, Dec. 1601.5, Jan. 1614.0, March 1639.0. Sales: 4,000. Handy and Harman bullion spot 1355.00 (1255.00).

Tin—793.00-804.00 asked (788.00-798.00).

CHICAGO, May 30.

Lard—Chicago loose 17.50 (17.75). New York prime steam 19.00 (19.25).

Live Cattle—June 65.20-65.40 (64.65), Aug. 65.35-65.40 (64.77), Oct —, Dec. 65.40-65.25, Jan. 65.90, Feb. 66.35-66.30, April 66.85.

Live Hogs—June 33.05-32.95 (32.75), July 34.85-34.70 (34.35), Aug. 34.35-34.20, Oct. 35.40-35.30, Dec. 38.50-38.80, Feb. 41.65, April 41.02, June 44.70, July 44.45.

‡‡Maize—July 277-276½ (275¾), Sept. 286½ (285), Dec. 294¾, March 306-305¾, May 313, July 318½.

Pork Bellies—July 29.50-29.25 (29.25), Aug. 29.50-29.35 (29.25), Feb. 42.65-42.45, March 42.60, May 43.45, July 44.70, Aug 43.60.

Silver—June 1380.0-1385.0 (1330.0), July 1401.0 (1341.0), Aug. 1410.0, Oct. 1431.0, Dec. 1452.0, Feb. 1473.0, April 1494.0, June 1515.0, Aug. 1536.0, Oct. 1557.0, Dec. 1578.0, Feb. 1599.0, April 1620.0, June 1641.0, Aug. 1662.0, Oct. 1683.0.

†Soyabeans—July 624-623½ (624), Aug. 631½-631 (632), Sept. 639, Nov. 653-652½, Jan. 668½-668, March 683½, May 695½-696, July 704½-705.

¶Soyabean Meal—July 170.5-170.4 (171.0), Aug. 173.3 (173.7), Sept. 176.1, Oct. 178.8-178.7, Dec. 183.0, Jan. 185.1, March 189.0-188.5, May 192.0, July 195.0-196.0, Aug. —.

Soyabean Oil — July 21.53-21.50 (21.56), Aug. 21.75-21.78 (21.76), Sept. 21.95, Oct. 22.20-22.15, Dec. 22.55, Jan. 22.75-22.65, March 23.00, May 23.35-23.40, July 23.65-23.60, Aug. 23.70-23.80.

†Wheat—July 403-402 (402½), Sept. 416-415½ (415¾), Dec 432½-433, March 447½-447, May 453½, July 453½.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ¶ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

WINNIPEG, May 30. §Barley—May 124.50 (122.50), July 124.20-124.30 (124.00), Oct. 119.70, Dec. 118.70, March 118.70.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 215.33 (214.53).

INDICES

FINANCIAL TIMES

May 29	May 28	M'nth ago	Year ago
267.83	268.69	274.01	279.60

(Base: July 1, 1952=100)

MOODY'S

May 29	May 28	M'nth ago	Year ago
1110.3	1121.7	1090.9	1068.1

(December 31, 1931=100)

DOW JONES

Dow Jones	May 29	May 28	Month ago	Year ago
Spot	429.32	428.00	422.34	391.72
F'tur's	451.31	450.20	425.75	399.36

(Average 1924-25-26=100)

REUTERS

May 30	May 29	M'nth ago	Year ago
1710.0	1704.2	1686.3	1568.4

(Base: September 18, 1931=100)

Inmos 'confident' of £25m aid award

BY RODERICK SHARP, IN SAN FRANCISCO

THE MANAGING director of Inmos, the British micro-electronic company which has asked for a second £25m from public funds, said yesterday that he was "very confident" the British Government would provide it.

But Sir Keith Joseph, Industry Secretary, would not comment on a decision which, he said, has yet to be made.

Sir Keith and the Inmos chief, Dr R. L. Petritz, were in Santa Clara for the Electronic Association of California dinner, at which Sir Keith was guest speaker.

The British Government used the opportunity to promote micro-electronics investment in the UK to the most powerful group in the industry. Sir Keith had earlier visited four of the largest hardware companies—Apple, Hewlett-Packard, Syntec, and Intel—where he spoke of meeting "fascinating men with almost the power of alchemists to create wealth."

Dr Petritz's contribution to the Inmos debate came during a break in a hard-sell Government seminar, and as the Secretary of State was concluding his Silicon Valley tour.

"We've made our case that we need £25m to be invested in England," Dr Petritz said. "I remain very confident that we'll get that from the Government."

Dr Petritz had no plans to meet Sir Keith but he described him as having been "very sympathetic to our cause." Sir Keith would not be drawn on the pending Cabinet decision. "Each of us has to make up his own mind about the implications of a decision," he said.

Spending on acquisitions is at lowest since 1977

SPENDING BY British companies on acquisitions in the first quarter of 1980 fell to the lowest level since the final three months of 1977, the Department of Trade said.

The £224m covering 138 companies compared with £752m paid for 140 companies in the final quarter of 1979. In the first quarter of 1979, 134 companies were bought for £240m.

The largest acquisition in the first three months was that of CompAir by Imperial Continental Gas for £63.3m. The only other purchase was by Ind Coope (Scotland) which paid £21m for Lorimer's Breweries, a subsidiary of Vaux Breweries. This was not a public offer.

The previous three months contained 10 acquisitions of more than £10m, including five for more than £50m.

The proportion of acquisition spending in cash rose to 61.7 per cent from 41 per cent in the final three months of 1979. In the first quarter of last year, the proportion was 81.6 per cent, with declines in each successive quarter.

Aid to North up to £163m

FINANCIAL TIMES REPORTER

GOVERNMENT financial assistance to industry in the North of England amounted to nearly £53 per head of population in 1978-79.

Total expenditure in the region — £163.9m — was higher than in 1977-78, but did not reach the 1976-77 level of assistance, which was £171.8m.

The next highest level of assistance last year was the £151.2m made available in Scotland — although this breaks down to only just over £29 per head of the population. Wales followed with £107.7m (£38.9 per head) and the North West received £94.9m (£14.6 per head).

The figures, given in a Parliamentary reply by Mr. David Mitchell, junior Industry Minister, cover national schemes, regional development grants, selective financial assistance under the Industry Act, and land and factories. Some specific assistance is excluded because it could not be allocated to a particular region, and the figures refer to Department of Industry regions rather than the normal economic ones.

Recall date for the sixpence

THE SIXPENCE, now two and a half new pence, ceases to be legal tender on June 30, says a Treasury reminder. It was confirmed at the beginning of the year that the coins had become obsolete.

There is no restriction on the number of coins individuals may keep after that date and they can be converted into other objects, for example jewellery, provided they are not broken up or melted down in the process.

Nutrition study unit opened

A RESEARCH unit which will investigate nutritional influences on the development of multiple sclerosis and coronary heart disease was opened yesterday at the Central Middlesex Hospital, north-west London.

Action for Research into Multiple Sclerosis is helping to finance the study, which will be conducted by members of the Coronary Prevention Group recently formed by doctors, nutritionists and scientists on recommendations of the Royal College of Physicians and the British Cardiac Society.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
AKZ C	F.22.50	16	2.10	—	—	10	3.30	F.23.60
AKZ C	F.25	97	0.60	214	1.30	23	2	"
AKZ P	F.27.50	—	—	50	0.60	—	—	"
AKZ P	F22.50	2	0.30	—	—	—	—	"
AKZ P	F.25	—	—	52	1.80	—	—	"
ARB C	F.65	—	—	—	—	1	3.70	F.63.10
HEI C	F.65	—	—	6	3.90	1	5.40	F.61.20
HEI C	F.60	—	—	—	—	5	3.50	"
HO C	F.20	—	—	20	0.60	—	—	F.17.20
KLM C	F.60	—	—	2	12	—	—	F.67.40
KLM C	F.70	99	3.90	1	6.30	—	—	"
KLM C	F.80	124	0.90	2	1.80	—	—	"
KLM C	F.90	1	0.10	—	—	—	—	"
KLM P	F.60	20	1.50	—	—	—	—	"
KLM P	F.70	15	5.40	—	—	—	—	"
KLM P	F.80	15	13.50	—	—	—	—	"
NAT C	F.109.10	5	3	2	4.80	—	—	F.107.50
NN C	F.110	—	—	22	4.90	—	—	"
NN C	F.120	—	—	17	2.40	—	—	"
NN P	F.120	—	—	5	13	—	—	"
PHI C	F.17.50	—	—	49	1.60	—	—	F.18.10
PHI C	F.20	—	—	44	0.60	70	1	"
PHI C	F.22.50	—	—	100	0.30	—	—	"
RD C	F.150	50	11	10	12	—	—	F.159
RD C	F.160	258	4.30	20	7.20	—	—	"
RD C	F.170	222	1	80	2.60	—	—	"
RD P	F.140	107	0.40	35	1.30	—	—	"
RD P	F.145	—	—	50	2.30	—	—	"
RD P	F.150	192	1.70	85	4.30	111	6	"
PD P	F.160	248	5	22	9	3	10.50	"
RD P	F.170	5	12.90	—	—	—	—	"
UNI P	F.110	1	3.30	5	4	—	—	F.108.50
UNI P	F.120	—	—	5	12	—	—	"
XON C	$70	5	1/8	—	—	—	—	$63 1/8
XRX C	$50	—	—	10	7 1/4	—	—	$55 1/2
XRX C	$60	5	3/4	10	2 1/8	—	—	"
		Aug.		Nov.		Feb.		
SLB C	$110	15	5 3/4	10	10 3/4	—	—	$109
SLB C	$120	16	1 7/8	19	6 7/8	—	—	"

TOTAL VOLUME IN CONTRACTS 2689

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Guinness Mahon	17 %
Allied Irish Bank	17 %	■ Hambros Bank	17 %
American Express Bk.	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Shanghai	17 %
A P Bank Ltd.	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	19 %
Banco de Bilbao	17 %	Langris Trust Ltd.	17 %
Bank of Credit & Cmce.	17 %	Lloyds Bank	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	18 %	Ryl. Bk Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
■ Charterhouse Japhet	17 %	Security Trust Co. Ltd.	18 %
Choulartons	17 %	Standard Chartered	17 %
C. E. Coates	17 %	Trade Dev. Bank	17 %
Consolidated Credits	17 %	Trustee Savings Bank	17 %
Co-operative Bank	*17 %	Twentieth Century Bk.	17 %
Corinthian Secs.	17 %	United Bank of Kuwait	17 %
The Cyprus Popular Bk.	17 %	Whiteaway Laidlaw	17½%
Duncan Lawrie	17 %	Williams & Glyn's	17 %
Eagil Trust	17 %	Wintrust Secs. Ltd.	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	17 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%. 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

BRITISH FUNDS (463)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BOARDS (7) FREE OF STAMP DUTY

COMMONWEALTH GOVTS. (15) REGISTERED AND INSCRIBED STOCKS

FOREIGN STOCKS (3) COUPONS PAYABLE IN LONDON

BANKS (141)

BREWERIES (120)

INTERNATIONAL BANK FREE OF STAMP DUTY

CORPORATIONS (12) FREE OF STAMP DUTY

Grampian 10¼pc 89¼ (23/5)
Hertfordshire 5½pc 72½. 6¾pc 71½ (27/5)
Islington 12¼pc 94½
Kent Cnty. 9¼pc 96⅞ (28/5)
Lincoln 13pc 99½ (23/5)
Liverpool (City of) 13½pc 98 2164ths ½pc (27/5)
Liverpool Cpn. 2½pc 17¼ (23/5). 9¾pc 87 (28/5)
Plymouth 3½pc 79½ (27/5)
Salford 5½pc 61¼ (27/5)
Sandwell (Metrop. Boro. of) 13pc 95½
Slough 8¼pc 96⅞ (27/5)

Marston Thompson Evershed (25p) 57
Scottish Newcastle Brew. (20p) 56½ 5½ 5 4½. 4¼pc1stDb. 82 (27/5). 6¼pc 1st Db. 58½ (27/5)
S. African Brew. (R0.20) 134 (27/5)
Vaux Breweries (25p) 156
Watney Mann Truman Holdings 6½pcDb. 60¼. Ep.Ln 62 (27/5). 8½pcUns. Ln. 53½ (22/5)

CONTRACTS

FATA to build warehouse

FATA, a part of the FATA European Group and member of Babcock International group, has been awarded a multi-million pound contract for the construction of a new high bay, automatic, storage and retrieval warehouse at the IBM factory near Greenock, Scotland. The contract comprises a clad rack structure, complete with all ancillary equipment and services, 13 fully automatic computer controlled stacker cranes and the immediate infeed/outfeed pallet handling conveyor system.

★

Hawker Siddeley Power Engineering's construction division, has been awarded a £1.2m contract by British Gas, South West Region, for a project involving the design, installation and commissioning of a gas compressor plant at Breakwater Works, Oreston, Plymouth. The project involves the removal of two Mirrlees Blackstone engines with Bryan Donkin/Crepelle horizontal reciprocating gas compressors, from Bristol to the Breakwater Works at Oreston, Plymouth. Hawker Siddeley is responsible also for the civil engineering and building asociated with the transfer of these engines and compressors, together with all the necessary electrical equipment and pipelines, final commissioning and setting to work. Mirrlees Blackstone (Stockport), builder of the KPS diesel fuel engines, is also a member of the Hawker Siddeley Group.

★

A contract worth over £1m has been placed for 20 ICL ME29 computers by Booker Belmont Wholesale Delivered Trade, part of the Booker McConnell Group.

★

MODULAR COMPUTER SYSTEMS, INC. has won an order from the NASA Dryden Flight Research Centre, Edwards, California, for a dual simulation computer system. Valued at more than $536,000 (£233,000) the system is to be delivered later this summer. Each half of the system includes a Classic 7870 processor, 512 KB of solid state MOS memory, moving head discs, printer/plotters, CRT's, card readers, and magnetic tape units plus other ancillary peripheral and special devices.

★

Braintree District Council has placed an order worth £67,000 with PYE BUSINESS COMMUNICATIONS of Cambridge for the supply and installation of a PABX telephone system. The system is to be installed in the new council offices, currently under construction, in Braintree, Essex. The exchange will have 18 exchange lines and 200 extensions, and will be controlled from two operator positions: there will also be four direct tie line links to area offices in Halstead and Witham and the council's computer centre at Chelmsford.

BANK RETURN

	Wednesday May 28 1980	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14 553 000	—
Public Deposits	31,544,887	+ 3,488,052
Special Deposits	218,710,000	—
Bankers Deposits	618,853,419	+ 156,767,877
Reserve & other Accounts	679,287,993	— 7,718,204
	1,562,949,299	+ 152,537,725
ASSETS		
Government Securities	807,567,126	— 59,210,000
Advances & Other Accounts	308,789,691	— 40,723,946
Premises Equipment & Other Secs.	418,317,140	+ 237,783 163
Notes	27,995,092	+ 14,672,672
Coin	280,251	+ 15,836
	1,562,949,299	+ 152,537,725
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	10,175,000,000	+ 100,000,000
In Circulation	10,147,004,908	+ 85,327,328
In Banking Department	27,995,092	+ 14,672,672
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	8,303,661,305	— 148,143,700
Other Securities	1,860,323,595	+ 248,143,700
	10,175,000,000	+ 100,000,000

Stock Exchange dealings

Thursday, May 29	18,361
Wednesday, May 28	20,099
Tuesday, May 27	18,079
Friday, May 23	17,431
Thursday, May 22	17,449

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous five business days. These are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ♦ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mc—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

Whitbread A (25p) 148½ 50 150 80 7 6. 7¼pcDb. 59½ (27/5). 7½pcLn. 53½. 10½pc Ln. 72 (27/5). 11pcLn. 221 (27/5)
Whitbread Investment (25p) 136 (23/5)
Wolverhampton Dudley Brew. (25p) 335 40
Young Brew. A (50p) 163 (27/5)

COMMERCIAL (1,684)

A—B

AAH (25p) 131 (27/5)
AB Electronic Products Gp. (25p) 153 (23/5)
A38 Research (10p) 158
A1 Industrial Products (25p) 20 (28/5)
Aaronson Bros. (10p) 61 (23/5)
Abbey (25p) 32 (28/5)
Abercom Group (R0.30) 115 (23/5)
Aberdeen Construction Group (25p) 103
Aberthaw and Bristol Channel (25p) 157♦. 7½pcPf. 44 (27/5)
Acrow A (25p) 30

Christies Intl. (10p) 192 3 (27/5)
Chubb (20p) 98. 8pcUnsecd.Ln. 68
Church (25p) 175 (28/5)
Clifford's Dairies A (25p) 82. New A (f.p.) 80. New A (25p) 17 15 (27/5)
Coalite Grp. (25p) 101 100
Coates Bros. A (25p) 53 (23/5)
Coats Patons (25p) 49♦ 8½. 6¾pcUnsecd. Ln 51¼♦. 7½pcUnsecd.Ln. 60♦
Colgate Palmolive ($US1) 626
Collins (W.) (Hldgs.) (25p) 93 (23/5)
Comben Grp. (10p) 28
Combined English Stores (12½p) 333♦ 40 4
Comet Radiovision (5p) 81♦
Comfort Hotels Intl. (10p) 22½♦ ¼
Concentric (10p) 39
Conder Intl. (25p) 113 (23/5)
Cooper Inds. (10p) 11¼♦
Cope Allman Intl. (5p) 66½
Coral Leisure (10p) 60♦ 59 6
Costain Group (25p) 126. Old. (25p) 89♦ 90 2
Countryside Properties (25p) 63♦

Nottingham Brick (50p) 170
Nottingham Manufacturing (25p) 91. 6½pcLn. 84♦
Nova (Jersey) Knit (20p) 38½ (28/5)
Nurdin and Peacock (10p) 122 20
NuSwift Indus. (5p) 23♦

Oakwood Group New (25p) 81 (28/5)
Ocean Wilsons (Hldgs.) (20p) 79♦
Office and Electronic Machines (25p) 258

Parker Knoll A NV (25p) 98 (28/5)
Paterson Zochonis (10p) 261 2 (27/5). A N-V (10p) 255 (27/5). 10pcPf. 66♦
Pauls and Whites (25p) 120 (28/5)
Pearson Longman 8pcDb. 84 (28/5)
Pearson (S.) (25p) 214♦ 12 16 14. 9pcLn. 97. 10½pcLn. 76½ (27/5). 10½pcPrly.Uns.Ln. 84½ (27/5)
Peerless New (25p) 93♦ 3
PeglerHattersley (25p) 102 (28/5)
Pennine Commercial Hldgs. 4½pc (23/5)

UKO International (25p) 112 (27/5)
U.U. Textiles (25p) 12 (27/5)
Ulster Television A.Non.V. (25p) 67
Unicorn Industries (25p) 93♦
Unigate 5½pcLn. 51 (27/5). 6½pcLn. 103½
Unilever (25p) 410 18 15 12 17 8. 6¾pc Db. 85¼. 7¾pcLn. 54½♦
Unilever (N.V.) (Fl.12) 14.40 (27/5)
Unitech (10p) 264 6 8. New (10p) 269 6 70
United Biscuits (25p) 69♦ 72½♦ 70½♦ 70♦. New (25p) 69 71 2 (23/5)
United Carriers (10p) 128♦
United City Merchants (10p) 22♦
United Engineering Inds. (10p) 123
United Gas Industries (25p) 65 (27/5)
United Guarantee (5p) 16 (28/5)
United Scientific (25p) 505 (28/5)
United Spring and Steel (10p) 26 (27/5)
United Wire Group (25p) 46 (23/5)
Unochrome Industries (10p) 13 (28/5)

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
BP	25p	8	394	+ 2	412	320
Coral Leisure	10p	8	61	+ 2	80	57
LASMO	25p	8	648	— 5	685	337
Beecham	25p	7	117	+ 4	134	108
ICI	£1	6	352	—	402	348
Lonrho	25p	6	73	— 1	110	73
Premier Oil	5p	6	90	— 1	98	39½
Shell Transport	25p	6	380	+ 4	410	314
Assoc. Dairies	25p	5	166	+ 2	192	160
Courtaulds	25p	5	71	— 1	79	64
GEC	25p	5	346	—	388	336
H'sons & Crosfield	£1	5	712	—25	850	600
Marks & Spencer	25p	5	83	— 2	96	77
Racal Elec.	25p	5	235	+ 6	248	175
Unilever	25p	5	417	—	480	388

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
ICI	£1	36	352	— 6	402	348
LASMO	25p	35	648	+ 8	685	337
GEC	25p	30	346	—11	388	336
BP	25p	28	394	— 4	412	330
Shell Transport	25p	28	380	+ 2	410	314
Beecham	25p	27	117	+ 7	134	108
RTZ	25p	27	370	+23	485	327
Unilever	25p	27	417	— 1	480	388
BAT Inds.	25p	25	230	— 8	271	223
Marks & Spencer	25p	25	83	— 4	96	77
Courtaulds	25p	24	71	+ 1	79	64
Andsn. S'thclyde	25p	23	75	— 1	92	58½
Carless Capel	10p	22	140	+10	158	76
Burmah	£1	21	203	— 1	249	162
Charterhouse Gp.	25p	21	75	— 9	84	61

هكذا من الأصل

Exchem 110
Galaha Ceylon Tea Estates 11
Global Natural Resources 335
GRA Prop. Tst. 15½ 16¼ ½ ¾ 17 ¾
Grendon Tst. 11pcLn. 1976-81 £3½
Hall Bros. Steamship 175
Hemerdon Mining and Smelting 130
Kays Atlas Brewery 5pcPf. 355
Kellock 112
Kenmare Oil Exploration 70 5 8
Kotmalie Valley Estates of Ceylon 7½ 9
Maddock 6
Maddock 7½pcCnv. £25
Mainline Electronic 2½
Mainline Electronic 12pcCnv. 5
North Sea Assets 83 ½
Norton Villiers Triumph 2½
Quest Automation 132 30 5
Rangers FC £12
Roche Plant Grp. 24
St. Austell Brewery 222
United Friendly Ins. B 122
Webber Electro Components 73

MAY 23

Air Call New 170 1 3 5
Ann Street Brewery 270 1
Arsenal FC £123
Bio-Kil Chemicals 106
Caledonian Offshore 230
Cambridge Petroleum Royalties 250 5
Carlton Real Estates 19
CIC Inv. 1½ ¼ 2 3
CIC Inv. 2½ 3¼
Clyde Petroleum 535 50 2 3 4 5 6
Commercial Bank of Wales 80
Crystal Palace Football and Athletic Club 140
Deltenne 14 ¼ ½
Dickwolla 7
Edinburgh Secs. 218 20
Global Nat. Resources Props. 365
Grainger 558½ 60
GRA Prop. Tst. 15½ 16½ 17 ½ 16¾
Grendon Tst. 11pcLn. 1976-81 £3 ½
Harvey and Thompson 6½pcLn. 1991-6 £47
Hemerdon Mining and Smelting 142
Kays Atlas Brewery 5pcPf. 345
Kellock 107
Kellock Cnv. (2nd Series) 107
Kotmalie Valley Estates Co. of Ceylon 7½
Le Riches Stores 268
London and Continental Advertising 17

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

MAY 29

Aran Energy 380 2 4 8 90 4 430*
Berkeley Expl. and Production (50p Paid) 190 1 2 3 4 5 8 5 7 8
Candecca Resources 131 2 3 4 ½ 5 6 7 9 40 1 2 3 5
CCP North Sea Assocs. 295 7 9 300
Cluff Oil 360 5
Gas and Oil Acreage 395
Pict Petroleum 375 80 5 90
Siebens (UK) 875 80 5 90 5 900
Viking Oil £13.50
Viking Oil Assented £13.25
* Denotes Irish currency.

MAY 28

Aran Energy 384 5 6 8 90 2 6 428*
Berkeley Exploration and Production (50p Paid) 188 90 1 2 3
Candecca Resources 141 2 3 4 5
CCP North Sea Assocs. 298 300 1 3
Cluff Oil 365 70 75
Pict Petroleum 370 5 8 9 80 5 6
Siebens (UK) 890 5 900
Viking Oil £13.50 75
Viking Oil Assented £13.50

MAY 27

Aran Energy 396 8 402
Berkeley Expl. and Production (50p Paid) 190 2 3 4 5 7
Candecca Resources 136 7 8 9 40 1 2 3 4 5 6
CCP North Sea Assoc. 300 1 2 5
Cluff Oil 360 5 75
Gas and Oil Acreage 395
Pict Petroleum 370 5 80 90
Siebens (UK) 900 5 9 10 11 15 20
Viking Oil £13.00 25
Viking Oil Assented £13.00

MAY 23

Aran Energy 396 400 2 4 8 45*
Berkeley Expl. and Production (50p Paid) 188 90 1 2 3 5 7
Candecca Resources 128 9 30 1 2 3 4 5 6 8 40 1 7
CCP North Sea Assoc. 285 90 3 5 6 8 9 300
Cluff Oil 360 5 70 5
Gas and Oil Acreage 395 400
Pict Petroleum 370 5 80
Siebens (UK) 900 5 10 15 20 5
Viking Oil £12.75
Viking Oil Assented £13.00
* Denotes Irish currency.

(By permission of the Stock Exchange Council)

PROPERTY (88)

Allied London Props. (10p) 110●
Allnatt London Props. (25p) 182. 6½pc 1stMt.Db. 65½ (28/5). 7½pc1stMt.Db. 61½●
Amal. Ests. (5p) 13¼●
Apex Props. (10p) 126 (23/5)
Aquis Secs. (5p) 32½
Beaumont Props. (25p) 126 (27/5)
Berkeley Hambro Prop. (25p) 202 (28/5)
Bradford Prop. Tst. (25p) 170 (28/5)
British Land (25p) 75 4½ 4

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual Interest gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	14½	½-year	1,000	1
Redbridge (01-478 3020)	14½	½-year	200	2-3
Redbridge (01-478 3020)	14½	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 3 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.58 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yr., 11.50 3 yr., 11.25 3 mth.not.
Coventry Provident	10.25	10.50	12.50	13.55 av. 5 yrs., 12 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.10 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mths. not., 11.75 3 mths. not. m.n. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 mths. notice
Hearts of Oak and Enfield	10.25	10.50	11.75	12.50 4 yrs., 11.53 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., withdrawals aft. 18 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	12.50 av. 4 yr., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.50 6 mth. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate fell by 0.0339 per cent at yesterday's tender to 16.0608 per cent, and the minimum accepted bid rose to £95.99 from £95.98. Bids at that level were met as to about 28 per cent and above in full. The £300m bills on offer attracted bids of £906.435m, and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day to day credit was in good supply in the London money market, and the authorities sold a small number of Treasury bills, the first time they have taken out funds from the market since early January. The market was faced with a small net take up of Treasury bills to finance and a slight rise in the note circulation. On the other hand bank brought forward balances a moderate way above target and there was a large excess of Government disbursements over revenue transfers to the Exchequer. Discount houses were paying around 16¾ per cent for secured call loans at the start, with later balances taken as low as 12-13 per cent. In the interbank market,

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

The dollar fell in late trading yesterday to finish round about Thursday's closing levels in London. Earlier in the day the US unit had shown a firmer tendency, but fell on news of a record 4.8 per cent fall in U.S. leading indicators. A statement by the U.S. commerce department that the gross national product and industrial production are likely to decline in the second quarter added impetus to the dollar's decline. Against the D-mark it closed at DM 1.7750 compared with DM 1.7780 but rose slightly against the Swiss franc to SwFr 1.6560 from SwFr 1.6545. On Bank of England figures, its trade weighted index fell to 84.0. from 84.1.

Sterling finished slightly down on the day, recovering from its lows after the dollar's late set back. It opened at $2.3360 and was sold down to $2.3260 in the morning, at which level the Bank of England lent support. It recovered to $2.3290 at noon but fell once more, as New York entered the market as net sellers of sterling, to $2.3220. The Bank may have given further support at this level and after sharp fluctuations during the afternoon, the pound closed at $2.3440-2.3460. just 15 points down from Thursday. On Bank of England figures, its trade weighted index finished at 74.3 compared with 74.4 on Thursday, after standing at 74.1 at noon

THE POUND SPOT AND FORWARD

May 30	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3220-2.3625	2.3440-2.3460	1.40-1.30c pm	6.91	4.00-3.90 pm	6.74
Canada	2.6950-2.7400	2.7150-2.7170	1.20-1.10c pm	5.08	3.80-3.65 pm	5.49
Nethlnd.	4.55-4.60	4.57-4.58	2½-1½c pm	5.25	6⅛-5⅛ pm	5.14
Belgium	66.40-66.80	66.50-66.60	15-5c pm	1.80	33-23 pm	1.68
Denmark	12.90-12.98	12.94-12.95	1¼-3¼ore dis	−2.43	6-7¾ dis	−2.12
Ireland	1.1160-1.1225	1.1200-1.1210	0.04p pm-par	0.21	0.25-0.20 pm	0.80
W. Ger.	4.14-4.18	4.16-4.17	3¼-2¼pf pm	7.58	7⅞-6⅞ pm	6.96
Portugal	113.80-115.30	115.00-115.20	5c pm-45c dis	−2.09	10-110 dis	−2.09
Spain	162.85-164.05	163.85-163.95	35c pm-15c dis	0.73	55 pm-10 dis	0.67
Italy	1,949-1,965	1,964-1,965	¾-2¾lire dis	−1.07	7¾-10¾ dis	−1.78
Norway	11.33-11.43	11.41½-11.42½	4¼-2¾ore pm	3.68	13¾-12¾ pm	4.55
France	9.64½-9.71	9.68¼-9.69¼	4¼-3¼c pm	4.65	9½-8½ pm	3.72
Sweden	9.75-9.86	9.85-9.86	2-1¼ore pm	1.98	5¼-4½ pm	1.98
Japan	520-530	522-523	2-1¼y pm	3.88	5¼-4¾ pm	3.78
Austria	29.55-29.85	29.80-29.85	20-15gro pm	7.04	55-45 pm	6.71
Switz.	3.85½-3.89½	3.88-3.89	4-3c pm	10.81	11¼-10¼ pm	10.94

Belgian rate is for convertible francs. Financial franc 67.15-67.25.
Six-month forward dollar 6.70-6.60c pm. 12-month 9.70-9.55c pm.

GOLD

	May 30		May 29	
Gold Bullion (fine ounce)				
Close	$534-537	(£227¾-229)	$517-520	(£220¼-221½)
Opening	$527-530	(£225¼-227)	$518-521	(£220-221¼)
Morning fixing	$531.40	(£228.167)	$521.00	(£221.797)
Afternoon fixing	$535.50	(£229.258)	$519.60	(£221.106)
Gold Coins				
Krugerrand	$551-556	(£235-237)	$535-538	(£228-229½)
Mapleleaf	$544-548	(£232-233¾)	$530-535	(£225½-228½)
New Sovereigns	$135-137¼	(£57½-58½)	$132-135	(£56¼-57¼)
King Sovs	$170-173	(£72½-73¾)	$168-171	(£71½-73½)
Victoria Sovs	$170-173	(£72½-73¾)	$168-171	(£71½-73½)
French 20s	$146-149		$144-147	
50 pesos Mexico	$655-660		$645-650	
100 Cor. Austria	$515-520		$513-518	
$20 Eagles	$654-658		$646-649	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

May 30	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.345	4.165	522.5	9.688	3.885	4.575	1965.	2.716	66.55
U.S. Dollar	0.427	1.	1.776	222.9	4.132	1.657	1.951	837.9	1.158	28.39
Deutschemark	0.240	0.565	1.	125.5	2.326	0.933	1.098	471.7	0.652	15.98
Japanese Yen 1,000	1.914	4.487	7.971	1000.	18.54	7.435	8.756	3760.	5.198	127.4
French Franc 10	1.032	2.420	4.299	539.4	10.	4.010	4.723	2028.	2.804	68.70
Swiss Franc	0.257	0.603	1.072	134.5	2.494	1.	1.178	505.7	0.699	17.13
Dutch Guilder	0.219	0.512	0.910	114.2	2.117	0.849	1.	429.4	0.594	14.55
Italian Lira, 1,000	0.509	1.193	2.120	266.0	4.931	1.978	2.329	1000.	1.383	33.88
Canadian Dollar	0.368	0.863	1.534	192.4	3.567	1.430	1.684	723.3	1.	24.50
Belgian Franc 100	1.503	3.523	6.258	785.1	14.56	5.838	6.875	2952.	4.081	100.

LONDON MONEY RATES

May. 30 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ●	Eligible Bank Bills ●	Fine Trade Bills ●
Over night	—	10-17⅛	—	—	—	15¾-15	10-17	—	—	—
2 days notice	—	—	17-17⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅛-16¾	17¼-17⅛	—	17	17¼-17	16⅜-16⅝	—	—	—
One month	17⅛-17	17⅛-17⅛	17⅛-17⅜	18¼-18	17⅜	17⅛	16⅝-16¾	15[illegible]	17⅛	17¾
Two months	17⅛-17	17-17⅛	—	17⅝-17⅛	17⅜	—	16½-16⅝	15[illegible]-15[illegible]	16[illegible]	17⅛
Three months	17⅛-16[illegible]	17-17⅛	17⅛-17¼	17½-17⅛	17⅛	17⅛	16⅜	16[illegible]-16[illegible]	16[illegible]-16[illegible]	16⅞
Six months	16¼-16⅛	16¼-16⅜	16-16⅛	16-15¾	16½	—	—	—	15[illegible]-15⅛	15⅛
Nine months	15⅜-15⅛	15⅜-15⅛	—	15⅞-15⅜	15¾	—	—	—	—	—
One Year	14⅞-14¾	14⅞-15	15¼-15⅛	15½-15⅜	15¼	—	—	—	—	—
Two years	—	—	14⅞-15⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 14¾-15⅛ per cent; four years 14¾-14¾ per cent; five years 14½-14[illegible] per cent. ●Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16[illegible]-16⅝ per cent; four-month trade bills 16¾ per cent.

Approximate selling rates for one-month Treasury bills 15[illegible] per cent; two-months 15⅞-15[illegible] per cent; three-months 15[illegible]-16 per cent. Approximate selling rates for one-month bank bills 17[illegible]-17⅛ per cent; two-months 16¾ per cent; three-months 16-16[illegible] per cent; one-month trade bills 17½ per cent; two-months 17⅛ per cent; and three-months 16¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from May 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.0608 per cent.

CURRENCY MOVEMENTS

May 30	Bank of England Index	Morgan Guaranty Changes %
Sterling	74.3	−31.8
U.S. dollar	84.0	−9.3
Canadian dollar	81.2	−16.6
Austrian schilling	155.0	+23.5
Belgian franc	116.0	+14.4
Danish kroner	106.7	−4.1
Deutsche mark	155.0	+44.3
Swiss franc	195.9	+77.5
Guilder	124.9	+19.4
French franc	101.2	−5.9
Lira	53.3	−50.9
Yen	127.4	+25.8

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 9.40-9.50 per cent; three-months 9.50-9.60 per cent; six-months 9.50-9.60 per cent; one year 9.20-9.40 per cent.

May 30	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16⅞-17⅛	9⅜-9⅝	12-14	11⅛-11⅜	12⅛-12⅜	9⅜-9½	12⅜-12½	14-16	9⅜-½	13-15
7 days' notice	17-17¼	9⅛-9⅜	12-14	11⅛-11⅜	12⅛-12⅜	9⅛-9⅜	12⅜-12½	16-19	9½-9⅝	13-15
Month	17⅛-17⅜	10½-10¾	12⅛-12½	11⅛-11⅜	5⅝-5¾	9½-9⅝	12[illegible]-12[illegible]	18-19½	9½-9⅝	13¼-13[illegible]
Three months	17⅛-17⅜	9[illegible]-9[illegible]	11⅜-11¼	11-11¼	5[illegible]-5[illegible]	9[illegible]-9[illegible]	12⅝-12⅞	18-19½	9[illegible]-9[illegible]	12⅝-12⅞
Six months	16⅝-16[illegible]	9[illegible]-10[illegible]	10⅛-10½	10¾-11	5⅜-5½	9[illegible]-9[illegible]	12⅝-12⅞	18-19½	10-10⅛	11½-11[illegible]
One year	14⅞-15⅛	10-10¼	9⅞-10¼	10⅝ 10⅞	5⅜-5½	8[illegible]-8[illegible]	12¾-13	17-18½	10-10⅛	10-10¼

Long-term Eurodollar two years 10½-10¾ per cent; three years 10⅝-10⅞ per cent; four years 10¾-10⅞ per cent; five years 10⅝-10⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3296	+1.36	+0.47	±1.53
Danish Krone	7.72336	7.83404	+1.43	∓0.54	±1.64
German D-Mark	2.48208	2.51761	+1.43	+0.54	±1.125
French Franc	5.84700	5.86126	+0.24	−0.65	±1.3557
Dutch Guilder	2.74362	2.76626	+0.83	−0.06	±1.512
Irish Punt	0.668201	0.677383	+1.37	+0.48	±1.668
Italian Lira	1157.79	1182.68	+2.15	+1.77	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

May 30	£	$		£ Note Rates
Argentina Peso	4228-4248	1816-1823	Austria	29.60-29.80
Australia Dollar	2.0440-2.0480	0.8724-0.8728	Belgium	66.80-67.40
Brazil Cruzeiro	116.06-117.06	49.935-50.135	Denmark	12.91-13.00
Finland Markka	8.54-8.56	3.6670-3.6690	France	9.63-9.69
Greek Drachma	100.848-103.190	43.30-43.50	Germany	4.14-4.1780
Hong Kong Dollar	11.44-11.53	4.8930-4.870	Italy	1915-1965
Iran Rial	n/a	n/a	Japan	521-526
Kuwait Dinar(KD)	0.620-0.630	0.2682-0.2684	Netherlands	4.54-4.5750
Luxembourg Frc.	66.50-66.60	28.37-28.39	Norway	11.32-11.41
Malaysia Dollar	5.05-5.06	2.1605-2.1625	Portugal	111-116
New Zealand Dlr.	2.3735-2.3785	1.0134-1.0144	Spain	159.00-166.00
Saudi Arab. Riyal	8.57-8.67	3.329-3.331	Sweden	9.75-9.82
Singapore Dollar	4.985-4.995	2.1305-2.1325	Switzerland	3.86-3.89
Sth. African Rand	1.8357-1.8375	0.7828-0.7835	United States	2.3175-2.3265
U.A.E. Dirham	7.71-7.81	3.7010-3.7026	Yugoslavia	48.00-52.50

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 30/5/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	144.00	47.6	77-81	7.0	4.9	− 7.5	−13 to −7	0.0	9.4	6.0	+13.5
British Land 12pc Cv. 2002	7.71	254.00	333.3	80-97	4.7	2.8	1.6	− 1 to 6	0.0	88.7	35.5	+33.9
Hanson Trust 6½pc Cv. 88-93	3.02	82.00	57.1	76-81	8.0	9.0	− 9.7	−10 to 1	6.3	3.1	− 3.4	+ 6.3
Slough Estates 10pc Cv. 87-90	5.44	224.00	187.5	78-86	4.5		− 1.3	− 6 to 2	35.7	44.4	3.8	+ 5.1
Slough Estates 8pc Cv. 91-94	24.88	112.00	78.0	80-91	7.4	6.9	18.7	15 to 22	26.1	51.2	26.7	+ 8.0
Ultramar 7pc net R.Cv.Pfd.	12.59	3.52	0.5	76-87	2.9		97.9	91 to 113	37.7	48.8	6.2	−91.7
Wilkinson Match 10pc Cv. 84-98	11.10	72.50	40.0	76-83	14.6	15.1	67.8	23 to 68	21.0	29.4	19.5	−48.3

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Leading equities end long Account on subdued note
Surprise tap stock issue causes long Gilts to ease

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
May 12	May 28	May 30	June 9
June 2	June 12	June 13	June 23
June 16	June 26	June 27	July 7

* "New time" dealings may take place from 9 am two business days earlier.

With the exception of South African gold mining shares, which rebounded following renewed strength in the bullion price, and another lively trade in Australian mining and energy-related issues, the three-week holiday Account in stock markets finished on an extremely subdued note.

British Funds traded quietly, the only event in this sector being provided by the 3.30 pm announcement of yet more Government funding. £1bn of Exchequer 13½ per cent 1994, is to be issued by tender at a minimum of £96 with £40 payable on application. Prior to the *anouncement, sporadic offerings* left medium and long-dated stocks a shade easier, while the shorts fluctuated narrowly before also settling with marginal losses.

Leading equities failed to gain any further encouragement from the **Courtaulds** and **Beecham** preliminary figures, which gave a modest fillip to sentiment on Thursday. Investment incentive was again affected by recent gloomy forecasts on the UK economy, but the underlying tone was reasonably steady. With some end-Account bear closing taking place, the majority of quotations closed a touch lower after showing occasional fall of two or three pence in the early dealings. The FT 30-share index closed only 1.9 lower at 415.9, but over the Account was 20.6 down.

When dealings were resumed late in Gilt-edged securities after the customary halt to discuss the new stock, medium and longer-dated issues lost another ½ or so, but the shorts held at their official closing levels. *Earlier in the sessions, Treasury* 8½ per cent 1980-82, had featured with a rise of ¼ to £92¼ following a specialist demand in a difficult market. The new low-coupon **Treasury 3 per cent 1985** stock made a quiet debut and closed at £69, the tender price level.

The recent buyer of **Antofagasta Railway** switched his attention from the Ordinary, which still improved 2 points at £76, to the Preference, and the latter jumped 4 points to £54.

Business in Traded options picked up slightly and 671 contracts were completed. The most active issues were **Shell, ICI**, and **Courtaulds** with 137, 116 and 110 trades respectively.

Bowring better

News that Marsh and McLennan's bid for **C. T. Bowring** had gone unconditional prompted a rise in the latter of 7 to 162p. Elsewhere in Insurances, the trend was undecided after a small trade. **Alexander Howden** cheapened 2 to 99p as did **Minet** to 96p.

Discount Houses drifted lower in quiet end-Account trading. Falls of 5 were seen in **Alexanders**, 243p, **Gerrard and National**, 250p, **Gillett Bros.**, 170p and **Union**, 450p. Among merchant banks, **Minster Assets** touched 39½p immediately after news of the lower profits but later rallied to close unaltered on balance at 41p.

Breweries and kindred issues remained subdued. **Greenall Whitley** firmed a penny to 186p on further consideration of the pleasing mid-term statement, but *Allied*, annual results due Tuesday week, eased that amount to 75p. Increased interim profits accompanied by a proposed 100 per cent scrip issue boosted **Wolverhampton and Dudley** 9 to 348p, but **Youngs** gave up 5 to 160p on consideration of the previous day's reduced earnings.

In Buildings, **Ready Mixed Concrete** lost 5 to 156p on nervous selling engendered by the possibility of a bearish statement at the annual meeting. However, **Richards and Wallington**, at 47p, recovered 6 of the previous day's fall of 11 as the chairman's report was less gloomy than feared. Publicity given to a broker's adverse circular left **London Brick** 2 cheaper at 70p, while **Wettern Brothers** shed a couple of pence to 85p after the preliminary results. Timbers met with a relatively lively business, **Montague L. Meyer** adding 6 to 97p on "new-time" buying and **Mallinson-Denny** hardened a penny to 68p, after 66p. **Phoenix**, however, shed 5 to 109p and **Magnet and Southerns** 3 to 162p, after 158p. **Travis and Arnold** slipped to 245p before late interest left the price just 2 cheaper on balance at 250p. Still unsettled by the proposed £3.85m rights issue, **Brown and Jackson** eased 3 to 125p for a fall on the week of 23. In Paints, **Leyland** dropped 5 to 31p following reports of the chairman's bearish views at the AGM.

Leading Stores lacked direction in a small trade. **Mothercare** added a couple of pence at 226p, but falls of 2 were common to **Marks and Spencer**, 83p, **UDS**, 67p, and **British Home Stores**, 262p. Secondary issues again attracted a useful business, although this was not reflected in actual price movements. Adverse Press comment clipped 6 from **Lee Cooper**, 197p, while **Selincourt** eased ¾ to a 1980 low of 15½p. **Comet Radiovision** turned dull in front of next Wednesday's full-year results and closed 3 cheaper at 79p, but revived support took **Polly Peck** up 4 to 53p. **Forminster**, a major mail-order supplier, were unsettled by Freemans' warning on Thursday about current trading and closed 6 down at 130p.

Among Shoes, **Allied Leather**, annual results Wednesday, gave up 15 in a thin market to 265p, but **George Oliver** responded to press mention and gained 4 to 102p.

Racal firm

Leading Electricals made a better showing than of late with **Racal** outstanding at 235p, up 6. **Plessey** added a penny to 137p, but **GEC** closed unchanged at 346p. **BICC** fell to 105p on *reflection of the chairman's warning* on profit margins, but rallied to close only a penny off on balance at 108p. Among secondary issues, **Eurotherm** succumbed to selling and fell 10 to 323p, while **United Scientific** lost 7 more to 486p.

A depressing week for the Engineering sector ended on a brighter note with a few firm spots appearing. **Glynwed** were notable for a rise of 3 to 78p on a *small* demand ahead of the results due on June 18, while **Wheway Watson** gained 2½ to 11½p following the profits forecast. **United Engineering** improved 3 to 121p and **Pegler Hattersley** edged forward a penny to 104p; the latter's preliminary results are due on Tuesday. **Midland Industries**, on the other hand, came on offer at 84p, down 5.

In Foods, **Clifford's Dairies A** eased 2 to 80p after the poor response to the rights issue. **Associated Fisheries** shed 3 to 56p on end-Account offerings.

Comment on the better-than-expected annual results helped **Beecham** improve 4 more making a two-day advance of 9 at 117p. Other miscellaneous industrial leaders traded quietly within fairly narrow limits. **Boots** relinquished 2 to 184p and **Reed International** softened 3 to 167p; the latter's preliminary figures are due on Tuesday. Elsewhere, a leading manufacturer's declaration that the UK furniture industry is in one of the worst slumps for more than a decade unsettled selected furniture issues with **B. and I. Nathan** falling 3 to 37p and **Uniflex** 4 to 50p. Renewed nervous offerings ahead of Tuesday's annual results brought about a fresh fall of 10 in **Sketchley** at 234p, while **De La Rue**, which report on the same day, lost 10 to 640p. **Dalgety** declined 8 to 248p and **Valor** shed 3 to 54½p as did **BTR** to 366p.

Pearson Longman fell 5 to to 106p in response to the increased annual revenue and 183p awaiting news of the annual meeting. Elsewhere in Newspapers, **Portsmouth and Sunderland** shed 5 to 73p on adverse comment.

Capital and Counties firmed 2 portfolio revaluation. Elsewhere in Properties, **Rush and Tompkins** added 6 to 194p after a favourable Press mention, but **London and Provincial Shop** drifted down to close 8 off at 327p on lack of interest.

Clyde good

Leading Oils were subdued for *most of the session, but moved* ahead after hours' and **British Petroleum** closed 2 firmer at *334p, after 328p*, while **Shell** finished 6 to the good at 380p. Elsewhere, **Lasmo**, at 648p, gave up 5 of the previou day's gain of 23 stemming from the chairman's reassuring statement about recent production estimates for the North Sea Ninian field. **Tricentrol** attracted late speculative interest and put on 8 to 346p, while **Clyde** met with support *and rose 23* to 573p; the latter will be quoted ex rights on Monday. **Berkeley Exploration** gained 8 to 198p following favourable Press mention, while **Pict Petroleum** added 15 at 390p. **Siebens U.K.**, however, eased 15 to 875p and **Premier** finished a penny off at 90p, after 92p. Humbly Grove partners **Carless Capel** and **Candecca** encountered a relatively brisk two-day trade, but the former closed unchanged on the day at 129p, after 127p; the latter ended a couple of pence firmer at 140p.

The interim loss and dividend omission continued to upset **Thomas Borthwick**, 6 down for a two-day fall of 12 at 30p.

Shippings turned dull. **P & O Deferred** eased 2 to 110p, while **Ocean Transport** shed 3 at 108p. **LOFS** gave up a penny at 30½ following the annual results.

Textiles closed a share firmer on balance. **Lister** jumped 5 to 53p on the efforts of a solitary buyer, while support was also seen for **Brigray**, 1½ up at 6p. **Courtaulds** eased a penny to 71p.

Selected satellites of the Harrisons' group attracted speculative attention in Plantations. **Harrisons Malaysian Estates** rose 14 to 170p, while **Castlefield (Klang)** added 15 at 468p. **London Sumatra**, on the other hand, fell 8 to 345p.

Golds move ahead

Mining markets ended a good week in fine form buoyed by a strong performance by the bullion price which rose $17 to $535.50 an ounce—a week's gain of $21.50 and its highest since the end of April.

South African Golds shrugged off the continuing stream of bad news concerning the recent outbreak of civil unrest and moved up sharply in the wake of persistent local and overseas buying to close at their best levels since March 10.

Australians continued to surge ahead led by gold and energy stocks. **Strata Oil** provided the week's feature following the gas discovery in Western Australia's Perth Basin; Strata closed yesterday at 32p, a penny harder on the day and 22p up on the week. Strata shareholders, **Haoma** and **North West Mining**, shared in the hectic activity with the latter 12 higher on the week at 61p and the former 25 up over the same period at 77p.

Also in the energy sector the Rundle oil shale twins attracted heavy local and overseas buying with **Central Pacific** a further point up yesterday at a 1980 high of £30—£4¾ up on the week—and **Southern Pacific** £2 better over the week at £11½; the Queensland Government and the Rundle partners announced yesterday the signing of a formal agreement giving the companies the right to mine the deposits.

"Down-under" gold stocks continued in demand. **Gold Mines of Kalgoorlie** rose 11 to 254p, while **Poseidon** put on 7 more to 147p and **Samantha** 8 to 96p. **Samson Exploration** rose 5 to 60p. Among the leading stocks **Pancontinental** advanced 25 to 320p and **Western Mining** 14 to 240p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	300	44	7	58	—	74	—	331p
BP	330	26	—	40	7	56	—	"
BP	360	13	1	26	9	40	—	"
BP	390	8	52	15	—	—	—	"
BP	420	3	—	10	8	—	—	"
Com. Union	130	8	—	14	3	18	—	129p
Com. Union	160	1	—	5	1	—	—	"
Cons. Gold	460	38	—	60	4	76	1	470p
Cons. Gold	500	16	5	38	—	52	—	"
Courtaulds	60	9½	70	11½	1	14½	—	73p
Courtaulds	70	3	25	6½	3	8½	1	"
Courtaulds	80	1	—	4	8	—	—	"
Courtaulds	90	½	4	—	—	—	—	"
GEC	330	29	5	43	—	58	—	346p
GEC	360	12	—	24	10	38	1	"
GEC	390	4	42	12	—	24	1	"
Grand Met.	120	13	—	18	2	23	—	129p
Grand Met.	130	7	4	12½	—	16½	—	"
Grand Met.	140	2½	—	6½	5	—	—	"
ICI	350	34	5	43	—	54	—	352p
ICI	390	4½	40	12	1	22	—	"
ICI	420	1½	70	5	—	—	—	"
Land Secs.	300	32	5	51	—	64	—	331p
Land Secs.	330	12	5	31	—	44	—	"
Land Secs.	360	3	5	15	—	27	—	"
Marks & Sp.	80	7½	2	12½	—	15½	—	84p
Marks & Sp.	90	2½	20	7	—	10	—	"
Marks & Sp.	100	1	14	3½	—	—	—	"
Shell	330	56	1	66	1	76	—	375p
Shell	360	28	26	40	25	52	—	"
Shell	390	10	—	20	2	32	—	"
Shell	420	3½	70	10	12	—	—	"
Totals			476		102		4	
		August		**November**		**February**		
Lonrho	70	12½	—	15	—	17½	11	77p
Lonrho	80	6½	14	8	10	10½	—	"
Lonrho	90	5½	—	4½	—	6½	1	"
P. & O.	100	17	1	21½	—	32½	—	109p
Racal Elec.	220	28	13	37	1	45	—	231p
Racal Elec.	240	15	20	26	1	35	—	"
Racal Elec.	260	7½	—	16	10	—	—	"
RTZ	360	33	2	51	—	70	4	373p
RTZ	460	4	—	12	1	—	—	"
Totals			60		23		16	

FINANCIAL TIMES STOCK INDICES

—	May 30	May 29	May 28	May 27	May 23	May 22	A year ago
Government Secs.	67.70	67.87	68.03	68.39	68.08	67.54	72.91
Fixed Interest	68.43	68.43	68.38	68.38	68.19	68.02	75.20
Industrial	415.9	417.8	416.6	420.0	423.3	426.5	513.5
Gold Mines	332.8	324.4	332.5	317.7	310.1	308.3	195.3
Ord. Div. Yield	8.63	8.61	8.59	8.53	8.45	8.34	5.78
Earnings, Yld. % (full)	20.95	20.89	20.93	20.78	20.57	20.34	15.27
P/E Ratio (net) (*)	5.79	5.80	5.80	5.85	5.90	5.97	8.39
Total bargains	20,970	18,361	20,099	18,079	17,451	17,449	—
Equity turnover £m	96.30	92.66	95.27	100.00	96.09	89.28	91.21
Equity bargains total	12,671	13,763	13,871	12,375	12,207	11,618	14,398

10 am 416.6, 11 am 416.4. Noon 416.7, 1 pm 416.5. 2 pm 416.2. 3 pm 416.2.

Latest Index 01-246 8026.

*Nil=5.43.

Basis 100 Govt. Secs. 15/10/26. Fixed Inc. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec, 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	63.85 (7/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (15/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2)	265.5 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	May 30	May 29
—Daily		
Gilt Edged	87.2	99.7
Industrials	110.5	106.0
Speculative	38.4	27.2
Totals	74.5	71.9
5-day Avge.		
Gilt Edged	108.7	108.9
Industrials	109.8	108.1
Speculative	32.3	32.4
Totals	74.8	74.6

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	6	66	17	91	203	61
Corpns. Dom. & Foreign Bonds	9	8	49	58	26	180
Industrials	142	377	876	512	1,487	3,581
Financial and Property	64	129	309	256	498	1,254
Oils	14	16	20	59	64	77
Plantations	10	1	15	79	5	30
Mines	74	19	62	265	122	233
Others	23	86	36	187	202	187
Totals	342	702	1,384	1,447	2,607	5,653

MONTHLY AVERAGES OF STOCK INDICES

—	May	April	March	February
Financial Times				
Government Securities	67.76	66.16	64.23	65.93
Fixed Interest	67.90	66.48	64.84	66.93
Industrial Ordinary	432.4	435.4	440.8	460.7
Gold Mines	306.1	299.9	314.3	347.9
Total Bargains	18,650	19,631	20,844	21,834
F.T.— Actuaries				
Industrial Group	223.78	222.56	224.24	230.54
500 Share	264.79	262.18	266.28	275.23
Financial Group	200.51	194.82	190.82	197.63
All-Share (750)	249.28	246.10	248.54	257.99
Red. Debs.& Loans	51.09	49.72	49.79	51.18

	High	Low
Industrial Ordinary	444.9 (6th)	415.9 (30th)
All-Share	254.02 (14th)	243.56 (29th)

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS	Fri., May 30, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., May 29 Index No.	Wed., May 28 Index No.	Tues., May 27 Index No.	Fri., May 23 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
6	Mechanical Engineering (74)	148.58	−0.7	21.80	8.82	5.62	149.59	150.22	151.76	152.50	197.57	173.75 (14/2)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	147.86	−0.2	23.31	11.05	5.18	148.10	148.90	150.23	151.29	180.99	171.28 (29/2)	141.95 (2/1)	192.29 (4/5/79)	49.65 (6/1/75)
	CONSUMER GOODS														
11	(DURABLE) (49)	202.15	+0.3	16.20	6.30	7.57	201.50	202.12	203.60	206.39	246.47	226.35 (3/3)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (14)	292.30	+0.6	12.50	4.57	10.24	290.65	291.95	293.58	298.32	333.06	322.21 (3/3)	247.36 (3/1)	358.49 (11/9/79)	42.65 (13/12/74)
13	Household Goods (14)	94.95	−0.6	31.13	11.25	3.79	95.54	96.55	97.58	98.06	174.82	116.40 (1/1)	94.95 (30/5)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	96.74	−0.2	23.69	10.20	4.91	96.92	96.67	97.80	98.62	128.30	115.86 (29/1)	96.67 (28/5)	170.59 (15/1/69)	19.91 (6/1/75)
	CONSUMER GOODS														
21	(NON DURABLES) (172)	209.23	−0.3	19.69	7.56	6.15	209.79	210.17	211.89	213.62	249.23	226.99 (21/1)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	267.51	—	16.89	6.78	6.95	267.41	267.44	270.32	271.18	286.30	282.35 (6/5)	248.93 (3/1)	306.13 (4/5/79)	69.47 (13/12/74)
23	Wines and Spirits (5)	282.08	+0.1	19.31	6.62	6.38	281.70	284.62	287.72	291.48	307.13	322.79 (21/1)	281.70 (29/5)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	295.21	+0.8	19.10	7.36	6.46	292.92	294.20	294.50	294.43	333.14	312.63 (5/3)	268.87 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturers (21)	186.18	−0.2	21.09	7.91	5.57	186.56	186.02	187.35	189.02	224.68	208.78 (14/2)	183.95 (28/3)	256.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (13)	293.61	+0.5	14.70	5.28	8.04	292.18	293.15	295.83	297.94	303.60	325.52 (21/1)	286.28 (3/1)	332.56 (8/5/79)	54.25 (11/12/74)
32	Newspapers, Publishing (13)	407.19	−0.6	23.35	7.18	5.78	409.45	410.88	413.17	416.81	469.14	455.30 (14/2)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	121.42	−0.7	26.74	9.64	4.56	122.29	122.88	123.94	126.68	146.23	134.65 (14/2)	111.30 (3/1)	155.65 (14/9/75)	43.46 (6/1/75)
34	Stores (42)	203.57	−0.8	15.19	6.05	8.48	205.27	206.21	208.24	209.97	254.50	227.12 (29/2)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (24)	123.59	−0.5	28.25	12.48	4.43	124.26	122.85	123.20	124.39	181.79	134.55 (19/2)	117.70 (8/4)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	195.50	−0.3	31.29	11.84	3.62	196.01	196.01	197.69	199.67	247.87	221.71 (28/1)	192.66 (3/1)	339.15 (2/8/72)	94.34 (15/5/62)
37	Toys and Games (5)	26.25	−0.2	46.65	18.48	2.54	26.31	26.40	26.44	26.77	77.27	47.59 (1/1)	26.25 (30/5)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (99)	195.45	—	18.66	7.69	6.37	195.47	194.64	195.82	198.28	215.40	215.44 (14/2)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (16)	288.16	−0.3	21.75	8.35	5.27	288.92	288.27	288.58	294.71	302.85	317.88 (13/2)	276.80 (3/1)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	184.09	+2.4	13.88	7.50	8.87	179.75	175.38	177.32	178.28	232.70	221.00 (13/2)	175.38 (28/5)	291.13 (14/9/78)	175.38 (28/5/80)
44	Office Equipment (6)	99.77	−0.3	21.83	8.32	5.24	100.04	100.47	101.39	103.29	129.15	123.13 (14/2)	99.77 (30/5)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	490.09	−1.4	14.44	7.21	8.47	496.85	495.62	496.18	495.69	474.81	515.40 (7/5)	411.53 (10/1)	537.68 (15/5/77)	90.80 (29/6/62)
46	Miscellaneous (60)	238.76	−0.5	16.08	7.16	6.79	239.94	240.02	242.11	244.54	256.98	255.99 (14/2)	221.65 (3/1)	273.91 (9/5/79)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (492)	215.74	−0.2	19.17	7.40	6.33	216.07	216.15	217.97	220.05	252.72	235.37 (14/2)	203.76 (3/1)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (8)	749.74	+1.0	30.78	6.87	3.59	742.60	750.15	758.54	753.85	661.56	840.16 (15/2)	668.36 (6/1)	840.16 (15/2/80)	87.23 (29/5/62)
59	500 SHARE INDEX	257.84	+0.1	21.71	7.29	5.42	257.61	258.25	260.56	262.17	286.01	282.49 (13/2)	241.13 (3/1)	303.29 (4/5/79)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	196.60	−0.1	—	6.27	—	196.70	198.12	199.16	199.30	230.20	204.39 (6/5)	175.65 (3/1)	241.41 (11/4/72)	55.88 (13/12/74)
62	Banks (6)	206.01	+0.1	47.54	7.47	2.58	205.88	205.55	206.95	210.46	237.25	235.42 (13/2)	201.01 (8/4)	258.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	258.53	−1.0	—	7.52	—	261.13	260.35	261.41	258.93	261.26	261.97 (27/5)	206.50 (18/3)	293.33 (2/5/72)	81.40 (10/12/74)
64	Hire Purchase (5)	197.96	−0.1	16.59	5.02	7.83	198.15	198.60	198.60	199.41	192.14	212.57 (6/5)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	183.84	−0.3	—	6.93	—	184.46	186.76	185.44	180.57	164.58	186.76 (28/5)	151.80 (3/1)	194.46 (15/9/72)	44.88 (2/1/75)
66	Insurance (Composite) (9)	124.65	+0.2	—	8.63	—	124.36	125.58	126.30	125.91	135.22	135.02 (13/2)	117.05 (3/1)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (10)	294.80	+0.3	16.00	7.19	8.68	294.04	295.51	297.40	294.12	294.57	305.98 (17/4)	256.48 (3/1)	372.27 (11/2/78)	65.86 (16/12/74)
68	Merchant Banks (14)	105.90	−0.4	—	5.81	—	106.37	107.34	107.92	106.95	101.20	107.92 (27/5)	87.47 (3/2)	273.57 (1/5/72)	31.21 (7/1/75)
69	Property (45)	387.72	—	3.61	2.84	39.47	387.79	392.12	396.20	398.39	357.43	406.50 (6/5)	304.23 (3/1)	406.50 (6/5/80)	56.01 (20/4/65)

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (20)

BRITISH FUNDS (2)
Treas. 3½pc '79-81 Treas. Var. 1983
COM'WEALTH & AFRICAN LOANS (1)
S. Africa 9½pc '79-81
LOANS (2)
Agric. Mort. 5pc 1959-89 FFI (UK Fin.) 6½pc Cb. 1981-84
FOREIGN BONDS (2)
Antofagasta Rly. Antofag. Rly. 5pcPf.
BEERS (1)
Wolverhampton Dudley
BUILDINGS (1)
Rohan
STORES (1)
Milletts Leisure
ELECTRICALS (1)
Normand Elec.
LEISURE (1)
Scottish TV A
MOTORS (1)
Airflow Stream
PROPERTY (1)
Dares Estates
TRUSTS (1)
Genl Funds Conv.
OIL & GAS (1)
Santos
MINES (4)
Central Pacific Southern Pacific
Haoma Gold Anglo-Dominion

NEW LOWS (86)

CANADIANS (1)
Massey Ferguson
BANKS (2)
Goode Durr. Murray Minster Assets
BEERS (2)
Gordon (L.) Invergordon
BUILDINGS (7)
Barratt Dev. Marshalls (Halifax)
Heywood Williams Monk (A.)
Leech (Wm.) Wettern Bros.
Leyland Paint
CHEMICALS (2)
Brit. Tar Prods. Halstead (J.)
STORES (8)
B & Q (Retail) Lee Cooper
Bolton Textile Selincourt
Comet R. Serv. Walker (J.)
Fine Art Dvlpts. Do. N.V.
ELECTRICALS (3)
Dowding & Mills Wigfall (H.)
Jones Stroud
ENGINEERING (13)
Austin (J.) Locker (T.)
Brit. Aluminium Do. A
Concentric McKechnie Bros.
Davy Corp. 600 Group
Delta Metal Wood (S. W.)
Firth (G. M.) Yarrow
Hopkinsons
FOODS (1)
Single Hldgs.
HOTELS (2)
Queens Moat Ho. Wheeler's
INDUSTRIALS (23)
Amal. Metal Lawtex
Avon Rubber Manch. Ship Canal
Bellair Cosmetics Metal Closures
Black (P.) Nathan (B. & I.)
Bodycote Intl. Redfearn Nat. Glass
Burco Dean Silverthorne
Caravans Intl. Stocklake
Carlton Inds. Turner & Newall
Chamberlain Phipps Uniflex
Chubb Unochrome
Findlay (A. R.) Wood Hall
Goodkind (W.)
LEISURE (3)
Black & Edgington Saga Holidays
Fairline Boats
MOTORS (6)
Rolls-Royce Caffyns
E.R.F. Gates (F. G.)
Armstrong Eqpt. Manor Nat.
NEWSPAPERS (2)
Collins (Wm.) Portsmouth Sndrlnd.
PAPER (4)
L.C.A. Hldgs. Oxley Printing
Melody Mills Wace
SHIPPING (1)
Jacobs (J. I.)
SHOES (1)
Strong & Fisher
TEXTILES (3)
Monfort Tern-Consulate
Pickles (W.)
TRUSTS (1)
Fulcrum Inc.
OVERSEAS TRADERS (1)
Borthwick (T.)

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	46.3	50.8	-0.4	2.00
Abbey Capital	[illegible]	97.6	.....	4.07
Abbey General	[illegible]	48.8	-0.4	[illegible]
Abbey Gilt & F.I. Tst.	106.4	112.9	-0.2	[illegible]
Abbey Income	[illegible]	43.1	-0.5	[illegible]
Abbey Intl. Bd. Tst.	[illegible]	99.2	-0.6	[illegible]
Abbey Inv. Tst. Fnd.	37.4	40.4	-0.1	[illegible]
Equitas Prog. Trust	67.8	73.5	-0.1	4.11

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	85.0	90.7	.....	12.98

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	73.9	79.1	+0.2	6.70
Brit. Inds. Fund	66.5	71.2	-0.2	[illegible]
Growth & Income	40.9	43.8	-0.1	[illegible]
Elect. & Ind. Dev.	[illegible]	38.1	-0.2	6.45
Allied Capital	75.2	80.5	-0.2	[illegible]
Hambro Fund	111.9	119.7	-3.8	[illegible]
Hambro Acc. Fund	141.0	150.9	-0.4	5.96

Income Funds

High Yield Fd.	62.7	67.1	-0.3	10.80
High Income	67.1	71.8	-0.5	[illegible]
A. H. Eq. Inc.	39.6	42.4	-0.1	[illegible]
Govt. Secs	24.6	25.2	.....	[illegible]

International Funds

International	28.0	30.0	-0.1	3.60
Pacific Fund	47.3	50.6	+0.3	[illegible]
Secs. Of America	56.6	60.6	-0.1	2.31

Specialist Funds

Smaller Co.'s Fd.	47.1	50.4	-0.2	[illegible]
2nd Smlr. Co's Fd.	[illegible]	58.8	-0.4	[illegible]
Recovery Sits.	111.0	118.8	-0.2	7.03
Met. Min. & C'dty.	56.1	60.0	-0.1	[illegible]
Overseas Earnings	56.1	60.0	-0.1	[illegible]

Exempt Funds

Far East Exempt	54.6	56.2	+0.1	3.15
Smaller Co. Exempt	72.6	76.2	-0.4	5.25

[illegible]

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. May 30	190.5	203.2	-10.7	6.18

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.0	18.7	.....	7.89
Gt. Winchester O'seas	21.0	23.2	.....	4.75

Emson & Dudley Tst. Mngmnt. Ltd.
20 Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	68.3	73.2	.....	6.00

Equity & Law Un. Tr. M. (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	71.1	74.8	-0.2	5.71

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	23.1	24.4	.....	1.00
Fixed Interest	24.7	26.1	-0.1	12.96
Growth + Income	29.0	30.4	-0.1	7.78
Special Sits.	28.5	30.0	-0.1	3.17

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	27.8	29.9	.....	2.37
Accum. Units	34.2	36.7	.....	2.37
J. Finlay High Income	31.3	33.6	.....	10.78
J. Finlay Euro.Fin.	21.0	22.6	.....	4.90
Accum. Units	26.3	28.2	.....	4.90
J. Finlay Fd.In.Tst.	33.0	35.5	.....	5.66
Accum. Units	40.7	43.8	.....	5.56

Prices on May 28. Next dealing June 4.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American May 27	50.2	53.6	.....	1.26
Am. T'arond May 27	49.8	53.2	.....	2.00
Capital Tst.	51.0	54.4	-0.2	5.68
(Accum. Units)	51.6	55.2	-0.2	5.68
Extra Income Trust	46.0	49.0	.....	10.99
Income Tst.	34.4	37.0	-0.2	9.37
Int. Growth Fd.	42.6	45.4	-0.2	2.49
(Accum. Units)	45.4	48.4	.....	2.49

Friends' Provdt. Unit Tr. Mgrs.
Pixham End, Dorking. 0306 5055

Friends Prov. Units	47.9	51.2	-0.2	5.27
Do. Accum.	67.7	72.3	-0.2	5.27

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital May 15	117.9	119.8	.....	5.56
Gross Inc. May 15	75.8	78.4	.....	11.61
High Yield May 15	86.9	90.9	.....	10.41

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	113.0	120.2	-1.4	3.60

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1980 High	1980 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
99⅛	97⅞	Exchequer 13pc 1980‡‡	99 5/16	.....	13.09	14.37
98⅝	96¼	Treasury 11½pc 1981‡‡	98 1/16	.....	11.73	14.68
93	90¼	Treasury 3½pc 1979-81	93	+⅛	3.76	14.14
96½	93⅞	Treasury 9¾pc 1981‡‡	96½		10.12	14.42
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

1980 High	1980 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
103	89	U.S.M.C. 9pc 1982	103	.....	8.75	—
91	85½	Do. without Warrants	91	.....	10.40	16.20

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1980 High	1980 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
305	235	Bank Scotland £1	238	.....	15.0	5.1	9.0	3.0
£21	£16¼	Bankers N.Y. $10	£20⅞	+⅛	Q$3.30	—	7.1	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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INDUSTRIALS—Continued

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	Hirst Mal'son 20p	24	......	2.6	1.4	15.5	(4.6)
[illegible]	[illegible]	Holden (A.)	82	......	†4.0	3.4	7.0	5.7
[illegible]	[illegible]	Hollis Bros.	43	......	†5.12	1.6	17.0	4.1
[illegible]	[illegible]	Holt Lloyd Int. 10p	222	−4	9.5	φ	6.3	φ
[illegible]	[illegible]	Hoover 'A'	155	......	12.0	0.9	11.1	(18.0)
[illegible]	3	Hoskins & H 20p	111	−1	8.0	1.5	10.8	7.7
[illegible]	54	Howard Tenens	65	−1	b2.28	—	5.0	—
[illegible]	230	Hunting Assoc.	340	......	5.0	6.0	2.1	8.7
[illegible]	66	Huntleigh 10p	73	−1	1.19	2.8	2.3	17.4
79½	55½	Hutch Whamp SHK1	69½	+1	‡Q28c	φ	3.8	φ
25½	17	Hyman (I. & J.) 5p	17½xd	......	1.25	3.6	10.2	3.9
£11⅞	845	I.C. Industries$1	£11⅞	+⅛	Q$2.00	—	7.9	—
145	111	ICL	135	+5	†h2.97	6.9	3.2	5.0
32	24	Ingall Inds. 10p	24	......	t2.27	1.7	13.5	7.0
135	107	Initial Services	128	−2	†5.5	2.5	6.1	7.6
13	10	Inter-City 20p	11½	−1	0.6	1.8	7.5	(8.8)
57	41	J. B. Holdings 10p	41	......	3.0	2.1	10.8	6.2
150	118	Jacksons Bourne	118	......	†φ3.0	3.3	3.6	11.2
20	14½	James (M.) Inds. 20p	18	−½	20.75	3.3	6.0	10.8
149½	108	Jardine M. SHK5	131	+3	MQ82c	1.9	5.9	9.8
29	20½	Jentique	20½	......	2.48	1.6	17.3	3.8
7	4½	Johnson & Barnes	5	......	—	—	—	1.9
180	135	Johnson Clnrs.	154	−2	6.2	3.8	5.8	4.9
300	205	Johnson Mthy. £1	267	−1	†8.5	2.9	4.5	9.1
57	39½	Jourdan (T.) 10p	52	......	4.2	0.6	11.5	20.2
75	63	Kalamazoo 10p	65	......	3.75	1.6	8.2	10.9
133	98	Kelsey Inds.	131	+1	t7.0	4.1	7.8	5.2
72	53	Kennedy Sm. 10p	60	−2	t2.8	3.7	6.7	7.9
362	225	Kershaw (A.) 5p	275	......	h21.75	0.6	11.3	(29.0)
76	69	Kleen-E-Ze Hldgs.	76	......	d4.5	2.1	8.5	7.9
82	67	L.C.P. Hlds.	71	−2	†h3.67	2.3	7.4	7.4
28	16	L.K. Ind'l. Invs.	18	−1	‡1.5	—	11.9	—
32	25	L.R.C. Int. 10p	28½	+1	2.23	1.4	11.2	8.6
64	46	Lawtex	46	−2	†3.56	4.5	11.6	2.0
164	134	Lead Inds. 50p	156	......	9.66	2.7	8.8	5.5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE—Continued

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
254	208	Phoenix	218xd	......	13.3	—	[illegible]	[illegible]
166	156	Provident	164	......	10.2	—	[illegible]	[illegible]
190	162	Prudential	165	−1	9.5	—	[illegible]	[illegible]
174	140	Refuge 5p	168	−2	10.6	—	[illegible]	[illegible]
356	307	Royal	320	+3	21.5	—	[illegible]	[illegible]
106	88	Sedgwick 10p	103	−1	5.0	2.3	[illegible]	[illegible]
82	67	Stenhouse	76	−1	4.52	2.3	[illegible]	[illegible]
215	168	Stewart Wr. 20p	195xd	......	12.0	2.6	[illegible]	[illegible]
610	520	Sun Alliance £1	562xd	−2	28.0	—	[illegible]	[illegible]
166	130	Sun Life 5p	160xd	......	H7.5	—	[illegible]	[illegible]
541	433	Taisho Mar. EDR	483	+7	φ010%	—	[illegible]	[illegible]
193	155	Trade Indemnity	185	......	5.6	—	[illegible]	[illegible]
£19⅜	£15¼	Travelers $2.50	£16⅞	......	Q$2.48	—	[illegible]	[illegible]
250	207	Willis Faber	227	......	11.0	1.8	[illegible]	[illegible]

LEISURE

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
74	60	Anglia TV 'A'	65	......	3.57	3.9	[illegible]	[illegible]
99	81	Assoc. Leisure 5p	95	......	†4.25	2.6	[illegible]	[illegible]
129	84	Barr & W.A.T. 'A'	87	−1	6.75	φ	[illegible]	[illegible]
63½	35	Black Edgtn. 50p	35xd	−3	d5.0	1.0	[illegible]	[illegible]
136	86	Boosey & Hawkes	108	......	5.67	1.9	[illegible]	[illegible]
90	50	Campari Int. 20p	50	−2	†h3.65	3.5	[illegible]	[illegible]
80	57	Coral Leis. 10p	61	+2	7.45	2.2	[illegible]	[illegible]
95½	79	Fairline Boats 10p	79	−1½	g5.2	3.6	[illegible]	[illegible]
55	37	Gaspar Pavilion 10p	44	......	—	—	[illegible]	[illegible]
35	24	Grampian 'A' 10p	34xd	−1	2.28	φ	[illegible]	[illegible]
106	90	HTV Non/Vtg.	102	......	10.0	1.5	[illegible]	[illegible]
47½	35½	Hawley Leisure 5p	44½xd	−½	M1.6	5.7	[illegible]	[illegible]
270	200	Horizon 5p	252	......	φ7.35	4.4	[illegible]	[illegible]
14	4	H'w'rd Wy'd 20p	6	......	†20.34	—	[illegible]	[illegible]
136	100	LWT "A"	113	−2	9.69	2.1	[illegible]	[illegible]
150	107	[illegible]	150	+2	†8.69	2.9	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Far West Rand

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Finance

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Central African

MINES—Continued

Australian

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Aamex 50c	25	......	—	—	—
24	12	ACM 20c	15	......	—	—	—
86	52½	Bond Corp.	85	+3	h02.8c	2.2	1.7
156	98	Bougainville 1 Kina	110	+1	h025.2	1.6	13.4
265	195	BH South 50c	2[illegible]	......	—	—	—
25	11½	Canada Northwest	20½	+1½	—	—	—
42	6	Carr Boyd 20c	27	......	—	—	—
£30	£15¾	Central Pacific	£30	+	Q15c	2.1	2.8
356	[illegible]	[illegible]	[illegible]	......	—	—	—
[illegible]	[illegible]	Cultus Pacific N.L.	36	......	—	—	—

Tins

Copper

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FINANCIAL TIMES
Saturday May 31 1980

MAN OF THE WEEK

Japan's steel master

BY CHARLES SMITH

MR. YOSHIHIRO INAYAMA likes to tell interviewers that his life has been one long succession of failures starting with the time when he failed to get into a Tokyo high school and had to accept a place instead in an obscure school in north eastern Japan. This week, however, has been an exception.

On Monday, at the age of 76, seven years younger than his predecessor, Inayama moved into the President's office at Keidanren (the Federation of Economic Organisations) which is often regarded as a more powerful and prestigious equivalent of the CBI. On Thursday Inayama's company, Nippon Steel Corporation, announced that its operating profits for the year ending March 31 were 2.2 times those of the previous year and the highest in the company's history.

As Chairman of Nippon Steel Inayama has not been directly responsible for day-to-day ad-

...ng ...a is ... distinct business phi... and Nippon Steel's results, as well as those of other major Japanese steel companies in the year which has just ended, look very much like a practical demonstration of some of his beliefs.

The Inayama approach can be summed up briefly in the words: "co-operate, don't compete." Spelled out at slightly greater length his message is that Japanese companies placed too much emphasis on increasing their market share during the 1960s and early 1970s and not enough on increasing their profits. The steel industry itself paid the price for this in 1975 when it found itself with a combined production capacity of around 140m tons per year and a market (including exports) of around 100m tons.

Since 1973 the five integrated steel makers have mothballed part of their production facilities, reduced energy consumption in the remainder, and succeeded in putting through a series of price increases in the domestic market which have significantly widened profit margins. Nippon Steel took the lead in rationalisation and in telling the shipbuilding and motor industries that they would have to pay more for their steel. Inayama, as president and then chairman of the company, earned the title "Mr. Cartel"—but also the gratitude of his fellow presidents in the industry.

Inayama's role in rationalising domestic production and pricing policies has its counterpart in his, and the industry's attitude towards exports. The Nippon Steel chairman is credited with having invented the expression "orderly marketing" (as the slogan of a Keidanren mission which toured Europe in the late 1960s in a bid to reassure Western businessmen worried about Japanese competition). Inayama also played a big part in getting his colleagues to accept, and then take advantage of, the U.S. trigger price system for steel imports.

Apart from piloting the steel industry into smoother waters Inayama is known in Japan as the main architect of the long-term China-Japan Trade Agreement. As a friend of the late Premier Chou En-lai from the 1950s onwards, Inayama had plenty of opportunities to discuss ways in which China and Japan could exploit their complementary economic relationship. The discussions produced concrete results in 1978 when the two countries signed an eight-year $20bn agreement based on the principle of exchanging Chinese coal and oil for Japanese plant and equipment.

Cut in oil revenue hits Iran

BY ANDREW WHITLEY IN TEHRAN

SHARPLY REDUCED oil revenues are believed to be creating a serious external payments problem for the Iranian Government.

Foreign exchange and gold reserves are almost certainly being heavily drawn on ... an emergency budget is to be introduced during the next three weeks.

The statement on Thursday by Mr Ali Akbar Moinfar, the Oil Minister, that oil exports are down to 800,000 barrels a day indicates that sales of crude and heavy oil are bringing in no more than $24m (£10.2m) a day.

This is one-third of the sum required to meet the massive government wage bill and pay for food imports and price subsidies.

Other income from taxes, customs dues and other levies is estimated, possibly over-optimistically, in the national budget published this week at Iran Rials 560bn (about £9.3m) a day. This leaves a payments gap of at least £10.5m a day and possibly much more.

Assuming the accuracy of Mr. Moinfar's statement it is believed there have been no crude exports for the past 60 days—it would seem that Iran's foreign exchange reserves have been cut by at least $750m a month this quarter.

The trend seems set to continue in the coming months without a dramatic turnaround in oil production and sales. On present indications, this is unlikely.

On paper Iran has a relatively comfortable cushion of $6bn to $6.5bn in foreign assets unaffected by the American freeze and related legal problems, although it is not clear what proportion could be withdrawn at short notice if required.

No details were given of the emergency budget when it was foreshadowed by Mr. Ezzatullah Sahabi, the Plan and Budget Minister, on Tuesday. But it is likely to involve severe cuts in both the current and the development expenditure allocations for the year to March 1981.

At the heart of the authorities' dilemma is the size of the monthly wage bill for the 1.42m people in government service. These, according to official statistics, are made up of 850,000 civil servants, 300,000 employees of government-owned organisations and 256,000 armed forces.

Ministers acknowledge that some 90 per cent of current expenditure, budgeted at IR 1.82tr (£11bn) will be spent this year on salaries. In recent speeches they said this will have to be cut, either through redundancies or salary reductions.

The emergency budget might also involve the reduction or elimination of subsidies on basic foods. Two major political obstacles to this are that it would hit hardest the poorest classes, whom Ayatollah Khomeini regularly says should be helped, and would fuel inflation. This is already running at an annual rate of 36 per cent officially and more than 50 per cent according to an independent Iranian economist.

Development spending is certain to be cut in the short term to the minimum necessary to meet payments on those pre-revolution projects being completed. Allocations were set in the budget at IR 1.02tr, an increase over last year's levels when a significant proportion was used to pay wages.

Fiat to cut stake in Seat

BY RUPERT CORNWELL IN ROME AND ROBERT GRAHAM IN MADRID

FIAT YESTERDAY formally announced that it will not take part in the forthcoming capital increase of its Spanish associate Seat—a move that is the prelude to hard and delicate bargaining to establish a new relationship between the two car groups.

The first effect of Fiat's decision will be to dilute the Italian company's stake in the capital of Seat from 41 per cent to 28 per cent once Seat's Pts 6bn (£36m) capital raising operation has been completed.

What happens thereafter is unclear. Fiat officials yesterday raised the possibility of Fiat's holding in Seat dropping still further were the Spanish State holding company, INI, to buy back sha[...]ribed by Fiat in the [...] of the Seat capital increase carried out la[st] [yea]r. They denied that Fiat was contemplating a total pull-out from Spain.

Fiat referred to the existance of a "dialogue" with both Seat and INI to work out new industrial and commercial ties between the partners.

The reasons for Fiat's move are clear enough. The commitment to shoulder much of Seat's massive losses has proved to heavy a burden at a time when its own export markets are contracting sharply.

INI said yesterday that it planned to take Fiat to arbitration at the International Chamber of Commerce in Paris as is its right under the original agrement with Fiat.

The Spanish holding company's first concern will be to cover the Pts 2.7bn (£16.5m) of new equity that Fiat was due to subscribe. This will lift INI's shareholding in Seat from 39 per cent to 56 per cent.

The remaining shareholders in Seat are mostly private Spanish banks.

INI has already sought government approval for financial guarantees to keep Seat and its 32,000 workforce afloat. It has also pursued contacts with other multinationals with a view to possible collaboration. The most keenly canvassed have been the Japanese groups, Nissan and Toyota. But talks have also been held with Volkswagen and Peugeot-Citroen.

INI has been exasperated by Fiat's behaviour since Fiat representatives abstained at a March board meeting on the question of a new capital increase.

Officials for INI said they expected Fiat to make an "orderly withdrawal" but the reduction of the Fiat presence will be complicated, especially as its executives have been running the company since June last year.

NEB puts further £75m into BL

By Kenneth Gooding, Motor Industry Correspondent

THE National Enterprise Board has pumped a further £75m into BL by taking up 150m new ordinary shares.

BL said last night that the money was needed to cover the cost of the final stages of the Mini Metro launch, the Land Rover and Range Rover expansion scheme and the work on the medium-sized Bounty car being produced jointly with Honda of Japan.

The group has also faced heavy redundancy payments. Since October the number of employees has dropped by 12,000, of which roughly half have ben either forced or voluntary redundancies.

Redundant employees have received between £3,000 and £5,000 each, bringing redundancy payments since October to about £24m.

The latest NEB cash was part of the extra £430m the Government agreed should be injected into the motor group when the BL corporate plan was approved last December.

The total represented the £225m balance of the £1bn promised to BL under the terms of the so-called Ryder plan, drawn up after the Government stepped in to save the former British Leyland company from financial collapse in 1975, plus £205m to meet the cost of redundancies and closures under the company's restructuring programme.

BL received an immediate £150m in December by way of new equity capital and a further £150m facility was provided for 1980-81 to be drawn "on evidence of need."

Shipbuilders' orders at low ebb

[B]Y WILLIAM HALL, SHIPPING CORRESPONDENT

[BRI]TISH SHIPBUILDERS' [merc]hant ship orderbook is at [its] lowest since the shipyards [we]re nationalised in 1977. But the corporation expects to announce several orders at a shipping exhibition in Greece on Monday.

Two 66,000 deadweight tonne bulk carriers, worth about £25m, are expected to be ordered at Govan, and several more orders should be announced for Sunderland Shipbuilders and other yards.

The orderbooks of the world shipbuilding industry have been recovering in the past year. But British Shipbuilders has not benefitted.

In the financial year to March, British Shipbuilders won orders for 21 ships totalling 177,000 compensated gross registered tonnes (c.grt). This is less than half the tonnage necessary to meet its annual output target of 400,000 c.grt agreed with the Government and the trades unions last summer.

Its merchant shipbuilding orderbook fell from 838,000 c.grt to 535,000 c.grt worth £542m. The naval shipbuilding orderbook, which doubled in value to £1.8bn last year, has started to decline.

BRITISH SHIPBUILDERS ORDERBOOK

	Merchant '000 C.grt*	Value £m	Naval value £m
1975	2093	N.A.	N.A.
1976	1476	750†	600†
1977	1228	832	644
1978	825	597	917
1979	590	573	1830
1980	535	542	1734

* Compensated gross registered tonnage.
† Approximate.

British Shipbuilders' merchant ship output has fallen steadily from a peak of 670,000 c.grt in 1976 to last year's 455,000 c.grt. The merchant ship yards have only just more than a year's work compared with a normal minimum level of at least two years' work.

Some yards, in particular Cammell Laird on Merseyside and Govan on Clydeside, are desperately short of work.

Just to maintain the target output, British Shipbuilders should be winning orders of at least 100,000 c.grt a quarter. In the first three months this year it won orders for six ships totalling 56,000 c.grt. In the previous nine months 120,000 c.grt was ordered.

In recent months, British Shipbuilders has concentrated public attention on a target orderbook of 45 ships to carry it from last August to the middle of next year, by when it hopes to have completed the reduction in its workforce.

It has won orders for 36 ships and the latest orders will carry it close to its target. But this concentration on the 45 order figure appears to be little more than a public relations exercise for the trades unions.

Continued from Page 1

EEC

due to end shortly, will no whe continued, and the whisky industry will receive valuable export refunds from the Community.

It was also pointed out that Britain had successfully rejected French demands that the reduced budget contribution next year should be linked with a guarantee that Britain would not veto any farm price increases then.

Mr. Peter Walker, Agriculture Minister, hailed the outcome of negotiations on the sheep meat regime as another victory for Britain. It would bring a large and growing benefit to the country as well as ending the bitter "lamb war" with France.

Producers would get increased payments from Community funds—up to £100m a year by 1984—without pushing up the price of lamb to the consumer, he said.

Mrs. Thatcher is to discuss the effect on New Zealand's exports to the Community with Mr. Robert Muldoon, the New Zealand Premier, today.

Ministers claim that the way has now been cleared for the negotiation over the rest of this year of a common fisheries policy. The guidelines that had been laid down, however, would ensure that Britain's requirements of an adequate conservation scheme and curbs on access to British waters of other EEC fishing fleets would be met.

First reaction to the deal came from Mr. Peter Shore, Shadow Foreign Secretary, who said: "It is a serious disappointment that the Government should have found it necessary to retreat from the positions it has taken up with our support and held on to from last July, right down to the Luxembourg summit.

Musician's Union action to hit BBC from midnight

BY NICK GARNETT, LABOUR STAFF

THE OUTPUT of music programmes on BBC Radio and Television will be progressively disrupted from midnight tonight following collapse of negotiations yesterday between the corporation and the Musicians' Union.

The union, representing virtually all professional broadcasting musicians, is instructing its 41,000 members not to work for the BBC from Sunday morning.

The union and the corporation agreed yesterday that it was pointless continuing discussions. No further talks have been scheduled.

The dispute, over the axing of five of the BBC's 11 orchestras as part of the BBC's economy drive, will first hit live shows and those still to be recorded for transmission next week.

If unresolved, it will progressively hit the recording of programmes, with radio, particularly Radio 3 likely to be more seriously affected initially than television.

BBC Television said the initial impact would be minimal although a few programmes, including Top of the Pops and the Old Grey Whistle Test, were not likely to be screened.

Radio 3's live output of concerts and other musical entertainment is likely to be badly hit.

Redundancy notices have been sent to 172 members of five BBC house orchestras which are due to be disbanded by August as part of the BBC's attempt to save £130m. Axing of the orchestras will save £1.5m, of which, the BBC said, will support musicians outside house orchestras.

North Sea output down

BY RAY DAFTER

NORTH SEA oil output fell in April as a result of reduced production levels in the Forties, Piper, Thistle and Cormorant fields, Government figures show.

Output was 0.65m tonnes (1.5m barrels a day), against 6.9m tonnes (1.7m b/d) in March.

The industry said the temporary drop in levels would not affect the longer-term build-up to UK oil self-sufficiency (about 1.8m b/d).

The April fall was largely due to the shutdown of British Petroleum's prolific Forties field for routine maintenance between April 21 and 26.

Occidental said its Piper field production had been reduced from 280,000 b/d to 200,000 b/d to enable technicians to evaluate the reservoir. The Thistle field output was hit after a ship's anchor ruptured a pipeline.

The Government, which hopes that self-sufficiency will be reached later this year, is expected soon to outline its policies for controlling North Sea oil production levels throughout the 1980s.

Weather

UK TODAY

COOL and cloudy with rain later.

Channel Islands, S. W. England, S. Wales, Northern Ireland
Dry, mainly cloudy, some sunny intervals. Max. 14C (58F).

Rest of UK
Cloudy with some rain in most parts.

Outlook: Sunny intervals, rain in places, becoming warmer.

● LONG-RANGE weather forecast for June: Rain in all areas but with dry and warm interludes mainly later in the month and in the South. Temperatures and rainfall near average except in the North East where cooler, wetter weather is expected.

WORLDWIDE

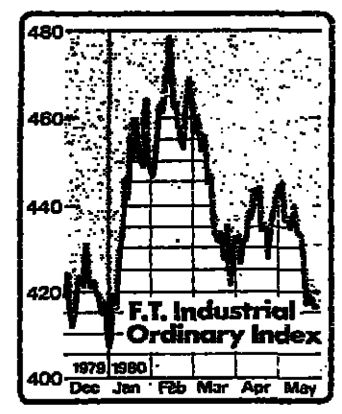
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	16	61	Lisbon	R	16	61
Algiers	F	22	72	Locarno	R	10	50
Amsdm.	F	14	57	London	R	16	61
Athens	F	25	77	Luxmbg.	F	13	55
Bahrain	S	36	97	Luxor	S	42	108
Barclna.	S	17	63	Madrid	C	17	63
Beirut	S	32	90	Majorca	S	19	66
Belfast	F	13	55	Malaga	F	25	77
Belgrd.	F	22	72	Malta	S	23	73
Berlin	C	15	59	M'chstr	F	13	55
Biarritz	S	16	64	Melbne.	C	14	57
Bmghm.	F	14	57	Milan	F	16	61
Blackpl.	F	12	54	Mntreal.	C	20	68
Bordx.	F	17	63	Moscow	F	22	72
Boulgn	S	12	54	Munich	F	13	55
Bristol	F	16	61	Nairobi	F	20	68
Brussels	F	13	55	Naples	C	18	64
Budpst.	F	23	73	Nwcstl.	F	12	54
B. Aires	C	17	63	N. York	C	19	66
Cairo	S	36	97	Nice	F	17	63
Cardiff	F	14	57	Nicosia	S	31	88
Cape Tn	S	18	64	Oporto	R	14	57
Cologne	C	12	54	Oslo	R	14	57
Cpnhgn.	C	14	57	Paris	F	15	59
Corfu	C	26	79	Prague	C	14	57
Dublin	C	12	54	Reykjvk	[illegible]	9	48
Dbrvnk.	C	19	66	Rhodes	S	33	91
Edinbgh.	F	13	55	Rio J'o	S	25	77
Faro	F	23	73	Rome	C	18	64
Florence	F	13	55	Salzbrg	C	16	61
Frankft.	S	12	54	Singapr.	R	31	87
Funchal	S	21	70	Stckhm.	C	15	59
Geneva	R	9	48	Strasbg.	C	12	54
Gibrltr.	F	21	70	Sydney	S	20	68
Glasgow	F	11	52	Tel Aviv	S	31	88
G'nsey	S	12	54	Tenerife	C	18	64
Helsinki	C	20	68	Tokyo	C	25	77
H. Kong	S	27	80	Toronto	S	19	66
Inn'brk	C	15	59	Tunis	F	25	77
Invrnss.	F	10	50	Valencia	F	22	72
I.o.Man	F	12	54	Venice	F	19	66
Istanbul	S	27	81	Vienna	F	20	68
Jersey	S	12	54	Warsaw	F	23	73
Jo'burg	S	18	65	Zurich	C	13	55
L. Plms.	F	21	70				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

THE LEX COLUMN

Gilt-edged taps still gushing

Index fell 1.9 to 415.9



The steady, if slow, drift downwards in the equity market continued yesterday, so that the FT 30-Share Index closed at its lowest for almost five months, and only nine points above the low point reached on January 3. However, the All-Share Index which is less weighed down by hard-pressed manufacturers, has been more resilient, and is a good 8 per cent above its bottom.

As usual, most of the attention has been captured by the gilt-edged market, where foreigners have been active and prospectors in sterling have again been striking oil. The foreign presence has encouraged a Bank of England new issue policy which is more remarkable for perseverance than for imagination.

Yesterday's offering, £1bn of Exchequer 13½ per cent 1994, is—not counting last week's low coupon titbit for high taxpayers—the fourth successive issue with the same coupon. Indeed, a foreign investor with an uncertain command of English might easily confuse it with Exchequer 13½ per cent 1992, the stock that he bought so hungrily a few days ago.

There is one significant difference, however, apart from the slightly longer maturity. The Bank's innovative marketing men, who spearheaded the selling of bonds on easy terms, £20 down, are asking for £40 down this time. It looks as though this stock is intended to persuade overseas bond managers that the gilt-edged market is not a place where they should look for a quick turn at the moment. It ought to follow from that that the authorities are happy with the progress made in funding so far.

Quite apart from the stock sold in the last two weeks—much of it probably outside the UK private sector — calls of £760m on partly-paid stocks are due in the remainder of the June banking month. The authorities are also approaching their monthly decision on what to do about the £500m recall of special deposits, and the end of the £1bn of help given to the clearing banks. It will be surprising if they do not cancel the first and postpone the second.

Marks and Spencer

The Marks and Spencer annual report, coming a day after the annual results from Courtaulds, Britain's biggest textiles manufacturing group, provides another reminder of how much more profitable retailing is than manufacturing in this country. In crude terms the businesses are of much the same size—Marks and Spencer has sales of £1.7bn and capital employed of £830m, while Courtaulds recorded sales of £1.8bn in the same year ended March and also has capital employed at book value of something over £800m (admittedly with a much higher debt-financed element).

In profit terms, of course, the two businesses look very different—especially on a current cost basis, with Marks turning in £162m pre-tax (hardly less than the historical cost version) whereas Courtaulds could just break even in real terms. So in the stock market Courtaulds is worth only about a sixth of the £1.07bn market capitalisation boasted by Marks, and the latter yields just 5.9 per cent compared with the 18½ per cent or so of Courtaulds.

Marks is, of course, a very big customer of Courtaulds, and indeed Marks has been an important factor in stemming the import flood in textiles. Last year, more than 90 per cent of St Michael clothing was still made in the UK, though the proportion has slipped somewhat in recent years because Marks has turned to what are described as "a few outstanding overseas clothing manufacturers in high wage countries."

In terms of profitability even retailers are now feeling the pinch. Marks is seeking to meet the challenge by concentrating on easier-priced (presumably this means cheaper) garments. For suppliers like Courtaulds the business will be welcome but the prices will be even more competitive—and the manufacturers in most cases have less room than the retailers to slim down their margins.

Capital & Counties

Yet another of the major property companies has announced figures to confirm a healthy revaluation through the sector. After Land Securities' provisional 25 per cent last week, Capital and Counties reports an increase of 20½ per cent in the value of its investment property compared with a year ago. The net asset backing per share has thus risen to 149p, at which level the price, up 2p yesterday at 106p, is standing at a discount of 30 per cent. This is rather higher than the market average, even though th yield of 4.1 per cent is well above the norm after the 42 per cent increase in the dividend.

Fully half the 57 per cent jump in revenue profits at the pre-tax level are derived from the lower net interest charge, with the company's cash balances proving highly lucrative in the high interest rate regime. Of the 14 per cent rise in property investment income, some three-fifths is due to reversions at Nottingham. In housebuilding, price rises as late as the fourth quarter, together with the unusual level of completions in the mild weather, helped to generate a second half £1m, double the performance of the first six months. With bleaker housebuilding prospects and cash balances being ploughed into development projects, however, profitability is likely to rise little in the current year.

LOFs

The promise of London and Overseas Freighters' first half, which showed a move back into trading profits of £0.38m from a £2m loss, has not been kept. The fall in the tanker market early this year has set the group back, and in the full year to March trading profits have emerged at £0.26m. After a net interest credit and before losses on foreign currency loan repayment, LOFs shows a profit of £0.53m against a loss of £2.67m in 1978-79, and there has been a £4.3m surplus on ship disposals on top of this. This item is unlikely to be as prominent in the current year—indeed LOFs is busy ordering ships from Japan.

To the extent that the immediate outlook for further profits recovery is dim and the yield on the shares at 30½p, down 1p yesterday, is only 5.2 per cent, there may be some short-term weakness. But the strong balance sheet, with asset backing of over 80p a share, and the group's ability to respond to any upturn in tanker rates should limit the damage.

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